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Dollar Stalls on U.S. Reports But Resumes Upward Surge

Compiled by Our Staff From Dispatches

WASHINGTON — The dollar fell sharply before recovering in volatile European trading Friday, after two U.S. government reports that suggested the American economy was not expanding fast enough to warrant higher interest rates to rein it in.

Amid continuing central bank intervention, the dollar ended at 1.8300 Deutsche marks in London, up from 1.8255 DM at the close Thursday but below the opening level of 1.8365 DM. The U.S. currency hit a high of 1.8430 DM for the day. (Page 9)

In separate reports, the Labor Department and the Commerce Department said that U.S. prices at the wholesale level rose 4 percent in 1988 after a 0.4 percent rise in December and that retail spending rose 6.7 percent for the year after a 0.2 percent December gain.

Although the increase in both categories — leading measures of inflationary pressures in the economy — were the highest in several years, they fell far short of forecasts.

Markets viewed the data as weakening the case for tighter U.S. interest rates and sold dollars, dealers said. The dollar's rise of more than 7 pfennigs since the start of the year has been fueled by firming short-term interest rates in the United States.

Higher interest rates mean a higher yield on investments in a currency, and people generally seek other investments if they are not getting high yields.

In later New York trading, the dollar jumped to close at 1.8455 DM, from 1.8273 DM on Thursday, after Finance Minister Gerhard Stoltenberg of West Germany said the dollar's current levels were agreeable to all members of the Group of Seven industrialized nations and he saw no need for tighter policy by the Bundesbank.

The Federal Reserve intervened in the market at least three times and the Bundesbank also sold dollars for marks, while other European central banks sold dollars and bought their own currencies. The Bank of Canada also sold dollars for marks.

Economists said the U.S. price increases in categories other than food and energy, which are especially volatile, suggest a broader build-up of inflationary pressures.

"This suggests inflation is definitely getting worse," said Michael Evans of Evans Economics in Washington.

But Lawrence Chimerine, chief economist of WEFA Group, said, "It shows there is some inflation in the system, but nothing to be overly alarmed about."

Stacy Kottman of Georgia State University agreed.

"The good news is that we're not talking about 6 percent or 7 percent at the wholesale level," said Mr. Kottman, who expects wholesale inflation to advance to 4.5 percent in 1989.

The government said the 4 percent acceleration in inflation at the wholesale level in 1988 was the fastest pace in seven years. It included a 0.4 percent gain in producer prices in December. The price increase last month was 4.5 percent when figured on an annual basis.

It was fueled by widespread price increases in wholesale goods for the consumer market, while food costs slipped a little and energy prices rose slightly, the Labor Department's Bureau of Labor Statistics reported.

In its report, the Commerce Department said retail sales rose 0.2 percent in December with a 0.3 percent downturn in auto sales stemming the increase.

December's retail sales of a seasonally adjusted $138.0 billion were led by a 1.9 percent gain in sales at hardware stores. Overall sales had increased a revised 0.9 percent in November and 1.7 percent in October.

December's gain was the slowest since a 0.3 drop in September. The figures are not adjusted.

For all of 1988, retail spending shot up 6.7 percent in 1988, the fastest pace in four years, despite lackluster Christmas and auto sales in December.

Sales for all of 1988 totaled a

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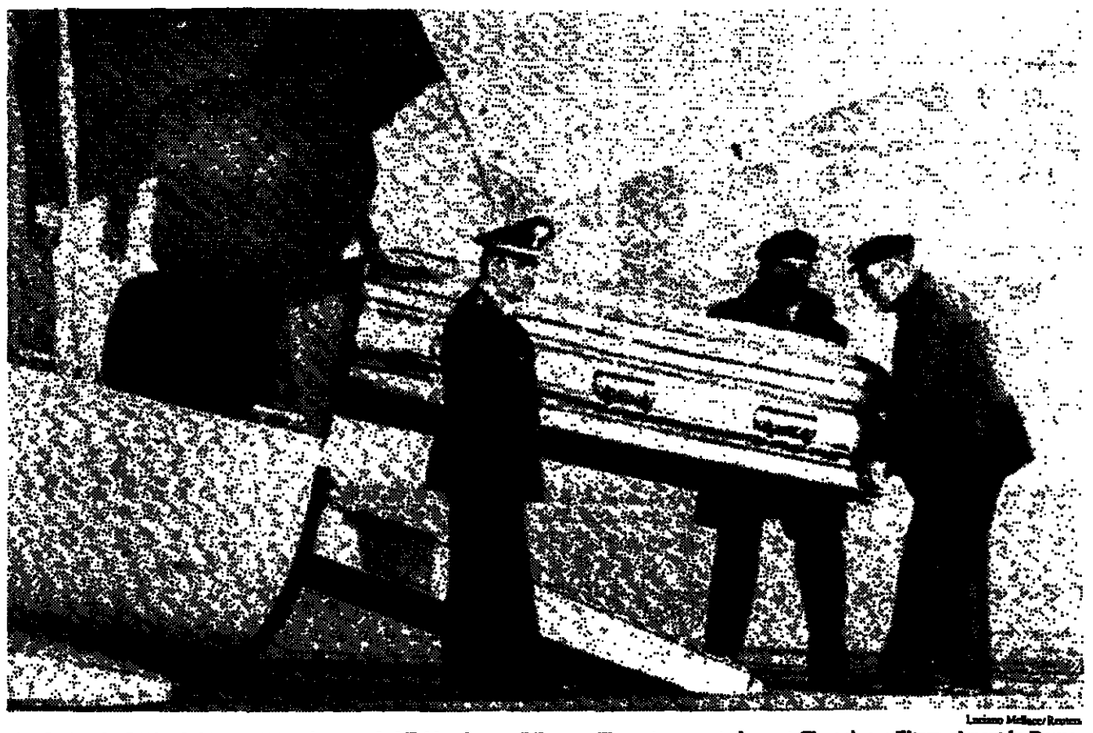

Luciano Mellace/Reuters

The body of a U.S. Air Force officer is unloaded Friday from a Libyan military transport plane at Ciampino military airport in Rome.

Germany Had Data On Plant

Its Own Services Warned Bonn; Prosecutor Acts

By Serge Schmemann
New York Times Service

BONN — The West German government disclosed Friday that its own intelligence services had warned it about possible German participation in the building of a chemical plant in Libya a month before President Ronald Reagan told Chancellor Helmut Kohl of similar American suspicions.

The unexpected revelation came as a state prosecutor announced he was opening a criminal investigation into the actions of Imhausen-Chemie, the company that has been at the center of the furor since it was named in U.S. reports as the major participant in the construction of the chemical plant at Rabta, south of Tripoli.

The United states says the plant could be used to produce poison gas. Libya denies it.

Jürgen Colman, spokesman for the district court in Offenburg, which has jurisdiction of the city of Lahr, where Imhausen has its headquarters, said the prosecutor's office had opened the investigations because of "overwhelming assumptions and indications in the press."

The chief government spokesman, Friedhelm Ost, said that the Federal Intelligence Service, or BND, had produced "serious information" on Oct. 18 that Imhausen might be involved in the construction of a chemical weapons plant in Libya.

Mr. Ost reiterated that neither this information nor subsequent intelligence supplied to the West Germans by the Reagan administration in mid-November "was sufficient to bring before a court," and that this was the reason the investigations were not made public.

Until Friday, the government had given the impression that it first learned of American allegations about German participation at the plant when Mr. Reagan told Mr. Kohl of U.S. concerns at a meeting in Washington on Nov. 15.

But sources in the government said that not only was a memo from Federal Intelligence Service circulated to the chancellery and the ministries of Foreign Affairs, Finance and Economics on Oct. 18, but that Mr. Kohl and Foreign Minister Hans-Dietrich Genscher read it again in preparation for their trip to Washington, where they suspected the president would raise the Libyan matter.

The government's decision to disclose the intelligence service report was evidently made because the magazine Bunte Illustrierte intended to publish it next week. Officials who saw the report said it was a brief memo setting out the suspicions about German participation in the chemical plant and citing Americans as the source.

Government officials made no effort to conceal their embarrassment at the mishandling of the affair, and there have reportedly been recriminations among government offices in Bonn.

In the initial aftermath of reports about the American suspicions, Mr. Kohl reacted with indignation, saying that the Americans had produced no proof and were waging a "media campaign" against West Germany.

It was only in the last week, after West German newspapers joined in the investigation and new documents were uncovered in Frankfurt, that the chancellor acknowledged that the U.S. reports had substance.

In a television interview on Thursday, he said new materials indicated that West German firms may have provided material to Libya "in a way that in no way corresponded to our export regulation."

There were reports that some of the anger was focused on the chancellery official charged with overseeing intelligence, Waldemar Schreckenberger, who was accused of underestimating the initial intel-

See PLANT, Page 5

GEC and GE Unite European Interests

By Warren Getler
International Herald Tribune

LONDON — In a major realignment of the European technology sector, General Electric Co. of Britain and General Electric Co. of the United States said Friday that they would combine up to $2.6 billion worth of European interests.

The agreement will cover consumer products, medical equipment and electrical-control systems.

As part of their sweeping combination of industrial forces, the giant companies, which are unrelated, said they would also attempt to forge European joint ventures in power generation.

The agreement involves a cash payment of £325 million ($580 million) to Britain's GEC from GE. The deal was described by industry analysts as a master stroke for GEC's managing director, Lord Weinstock, whose board faces a possible hostile takeover bid from a multinational consortium.

Analysts said the announcement effectively kills any chance of a bid for GEC being successful.

Earlier this week, GE had weighed participation in the consortium that is considering bidding for GEC, acknowledged John F. Welch Jr., GE's chairman, at a London press conference.

"This move with GE is a master stroke for Weinstock," said Mike Styles, industry analyst with the London brokerage Smith New Court Agency. "It gives GEC £325 million in cash, to be added to its £1.3 billion cash reserves, and it makes the group bid-proof."

Mr. Styles and other analysts said the link with GE bolsters GEC's already significant market reach in Europe, where it has been building a network of joint ventures in telecommunications, power generation and electronics over the past year.

For GE, the much larger U.S. technology conglomerate, the European link-up was heralded as a major step toward reducing the group's dependence on the U.S. market and gaining a secure foot-

See GEC, Page 11

Libyans Return Body Of U.S. Flier

By Clyde Haberman
New York Times Service

ROME — Libya on Friday returned the body of a U.S. Air Force officer who was killed during the 1986 bombing raid on Tripoli.

The body, believed to be that of Captain Paul Lorence of San Francisco, was flown to Rome from Tripoli under the protection of a Vatican representative.

No U.S. official was on hand to receive the body as it arrived, which reflected an American view that the episode was nothing more than a public-relations maneuver by Libya.

"We still have a number of very serious problems with the Libyans," a United States official said. "It is our position that this is a gesture long, long overdue."

Despite this cool reaction, the United States Embassy in Rome said that American military physicians would examine the body and try to make a positive identification. Once identified, it will be sent to the United States, an embassy spokesman said.

The body, which was in the custody of Bishop Giovanni Martinelli, the Vatican's apostolic vicar-general in Tripoli, was brought to the Ciampino military airport in Rome in a Libyan military plane. Two other Vatican officials waited on the tarmac.

A guard of honor of six Italian Air Force policemen stood to attention as Libyan airmen in fatigue uniforms carried the white, wreath-capped coffin out of the plane and laid it down.

The coffin was then placed in a van and taken to a medical institute in central Rome.

According to a Reuters report from Tunis, Libyan officials also handed the American's personal possessions to Bishop Martinelli. They included a knife, a cigarette lighter, $59, £10 and 24 rounds of ammunition.

Captain Lorence, 31, had been the weapons officer on an Air Force F-111 jet fighter that was one of 24 planes which took part in the Tripoli air raid April 15, 1986. The raid was a retaliation for the suspected support of international ter-

See FLIER, Page 5

Moscow Media Doubt Own Reports About New Survivors in Armenia

By Craig R. Whitney
New York Times Service

MOSCOW — Soviet state press agencies and television cast doubt Friday on reports that six men had been found alive on Wednesday under the rubble of an apartment building that collapsed in the Dec. 7 earthquake in Armenia. But the reports were not retracted.

The government press agency Tass said it could neither confirm nor deny the authenticity of its own reports Thursday that the rescue had actually occurred in Leninakan. Armenian government officials also said in telephone interviews from Yerevan, the Armenian capital, that a team from the Ministry of Health was trying Friday to verify the facts and find all the purported survivors.

The story might yet turn out to be true. But as the facts unfold, the episode also reveals how Mikhail S. Gorbachev's policies have brought not only liveliness but also an element of fallibility into what used to be a propaganda machine — one that Western news organizations are used to relying on for consistency, if not always truth.

On Thursday night, Soviet national television news broadcast an interview in a Yerevan hospital with Aikaz Akopyan, the building electrician who said he was working with five friends in the basement of the building when the earthquake struck.

Accounts of how they had managed to live for 35 days on pickles, stewed fruit and apples were sent around the world by foreign news agencies, television networks and newspapers. In calls to Armenian officials and journalists in Yerevan, three people confirmed the account. Attempts to reach Mr. Akopyan and his doctors in the Yerevan hospital were unsuccessful.

"Everyone would very much like to believe that six people were pulled out from under the debris in Leninakan on the 35th day after the earthquake," Tass reported Friday night. "The authenticity of the sensational piece of information seemed to be beyond doubt. Regrettably,

See SURVIVE, Page 5

Shamir Endorses Arab Talks

In Shift, He'd Accept Plan that Mirrors Peres Proposal

By Glenn Frankel
Washington Post Service

JERUSALEM — After two years of unyielding opposition, Prime Minister Yitzhak Shamir has shifted ground and endorsed holding direct talks with Israel's Arab foes under international auspices. The plan was previously championed by his main political rival, Finance Minister Shimon Peres.

Mr. Shamir's aides insist that the prime minister still opposes Mr. Peres's proposal for an international Middle East peace conference. But Mr. Shamir's language and the mechanism he described in statements and interviews sound virtually identical to the plan that Mr. Peres promoted and that Mr. Shamir vetoed in 1987.

It also mirrors the peace plan proposed last year by Secretary of State George P. Shultz, a proposal that also died after Mr. Shamir firmly opposed it.

"I don't believe in conferences and things like that," Mr. Shamir told The Jerusalem Post on Friday. "But if it can help someone that these negotiations be held under some formal auspices, of the superpowers or the UN, I don't mind, as long as the negotiations themselves are direct and on condition that the external bodies do not intervene in the content of the negotiations. Maybe it can help."

Asked about a formal role for the United Nations, with which Israel has long been locked in a hostile stance, Mr. Shamir replied: "I don't mind, I don't mind. It just shows how far we are willing to go, even to take certain risks. I'm willing to try it."

The prime minister mentioned Secretary-General Javier Pérez de Cuéllar's intermediary role in the Iran-Iraq war as an example of the kind of help the United Nations could provide.

"This is being conducted under the auspices of the UN secretary-general, who invites the negotiating sides but does not intervene in the negotiations themselves," Mr. Shamir said.

"The main thing is to get to negotiations," he said. "I know very well that the road from negotiations to a settlement is a long one, but if we don't start down this road we will never reach an agreement."

[Britain and the Palestine Liberation Organization began highest-level talks on Friday with a meeting in Tunis between a British Foreign Office minister, William Waldegrave, and the PLO chairman, Yasser Arafat, Reuters reported.

[Britain, like many other European countries, has raised the level of its contacts with the PLO since the organization declared an independent Palestinian state and accepted the right of Israel to exist.]

Mr. Shamir's aides denied that his new statements marked an abrupt change of stance for the prime minister, who portrayed Mr. Peres's proposal for an international conference as a potential betrayal of Israel during the election campaign last fall.

Mr. Shamir's press adviser, Avi Pazner, said: "His opposition to an international conference is as strong as ever. But he is looking for mechanisms or formulas to get direct negotiations going, and he will leave no stone unturned to find them."

Other senior Israeli officials,

See SHAMIR, Page 5

Scene From an Opéra: Molto Vivace in Paris

Barenboim Loses Director Posts

By David Stevens
International Herald Tribune

PARIS — A long-smoldering conflict over the future of the $400 million Paris opera at the Bastille exploded Friday when the posts of musical and artistic director, held for 18 months by the pianist and conductor Daniel Barenboim, were declared "vacant."

Despite a petition Friday by some of the major names in music, Pierre Bergé, president of the Paris Opéra as well as chief executive of the Yves Saint Laurent fashion empire and a prominent supporter of President François Mitterrand, thus removed the major figure in the directorial team named in 1987 under France's conservative government headed by Prime Minister Jacques Chirac.

The action paved the way for Mr. Bergé to organize the "modern and popular" opera that both Mr. Mitterrand and he have in mind.

It also probably effectively nullifies the program that Mr. Barenboim had announced for the Opéra Bastille as well as the planned opening date of Jan. 10, 1990. Earlier Friday, a message supporting Mr. Barenboim was sent to Mr. Mitterrand, Prime Minister Michel Rocard and Culture Minister Jack Lang.

It was signed by 11 persons, including virtually every conductor, stage director and designer Mr. Barenboim had enlisted for his first three seasons. The list is led by Pierre Boulez, the most prominent musical figure in France and the scheduled conductor of two of the planned productions.

Others are the conductors Herbert von Karajan, Carlo Maria Giulini, Sir Georg Solti, Zubin Mehta and Christoph von Dohnanyi; the stage directors Patrice Chéreau, Harry Kupfer and Peter Stein, the designer Richard Peduzzi, and the soprano Jessye Norman.

"If Daniel Barenboim is not maintained as artistic and musical director, we regret to inform you that the conditions of our participation in this project are also subject to question," the message said.

If the dismissal of Mr. Barenboim results in the withdrawal of these artists from their projects with the Opéra Bastille, it would seem out of the question to think in terms of an opening date less than a year away. Opera houses and artists plan at least two years ahead. And while contracts with performers had been "settled" or "agreed to," Mr. Bergé said earlier this week, none have been signed.

Mr. Barenboim's dismissal is only the latest event in the six-year history of turbulence and polemics that has surrounded the Opéra Bastille — one of France's grandiose cultural projects and most-kicked political footballs.

The building cost is currently put at 2.5 billion francs, compared with a target cost of 2.3 billion, for what will be the world's most technically advanced opera house. It will have a main auditorium of 2,700 seats and a smaller hall of variable size.

The project was initiated in 1982 under a Socialist government. When a conservative coalition took power in 1986, construction was at first halted, then grudgingly resumed on an truncated project. When the Socialists returned to power last year, the original project was substantially restored.

Mr. Bergé had two principal quarrels with Mr. Barenboim, the 46-year-old conductor and pianist who came to the Opéra post after a decade as musical director of the Orchestre de Paris, a post he holds until Aug. 31 this year.

One was the "intolerable" size of the salary and conducting fees granted by a contract that Mr. Barenboim signed May 5, three days before the presidential election that returned President Mitterrand to office for another term. The other was a political-ideological disagreement over the repertory program planned by Mr. Barenboim, which Mr. Bergé considered not compatible with a the-

See OPERA, Page 5

Kiosk

North Charges Are Dismissed

WASHINGTON (AP) — The federal judge in the Iran-contra case, as expected, on Friday dismissed the two main criminal charges against Oliver L. North, the former White House national security aide.

U.S. District Judge Gerhard Gesell said that the Reagan administration was responsible for abandoning the charges. He said he had no choice but to grant the motion by the special prosecutor, Lawrence Walsh, to dismiss the counts of conspiracy and theft against Mr. North.

Mr. North still faces 12 other criminal charges, including obstruction of justice by shredding documents and making false statements to Congress. Page 3.

AP

William J. Bennett, choice of George Bush as the U.S. "drug czar," is likely to turn the new position into a high-profile job. Page 3.

General News

Two British fliers died when their plane collided with two West German jets near the north German coast. Page 2.

The Treasury admitted that the 1986 tax act would worsen the budget deficit over the next four years. Page 3.

Business / Finance

A boardroom battle at Blue Arrow, the employment agency, ended with the downfall of the man who built it. Page 9.

The luxury goods conglomerate Moët Hennessy-Louis Vuitton named Bernard Arnault as its chairman. Page 11.

Dow Close: Up 3.75

The Dollar In New York	
DM	1.8445
Pound	1.7855
Yen	127.40
FF	6.2653

Eric Gaillard/Reuters

A RUSH OF IMMIGRANTS IN NICE — A crowd of immigrants surging toward barriers in front of the the Alpes-Maritime Prefecture on Friday. They were seeking to regularize their legal status after Interior Minister Pierre Joxe said the government would soon ask Parliament for changes in immigration laws. Mr. Joxe reaffirmed that illegal immigrants would have to be expelled.

Goetz Sentenced To Year in Jail

The Associated Press

NEW YORK — Bernhard H. Goetz was sentenced Friday to one year in jail and fined $5,000 for illegal possession of a gun he used to shoot four black teen-agers on a subway train four years ago.

Mr. Goetz shot the teen-agers in December 1984. He fled to New Hampshire, then surrendered, saying he had shot the young men because he felt he was about to be robbed. The case prompted a national debate on racism, self-defense and vigilantism.

Under the sentence, Mr. Goetz will be eligible for parole in 51 days. The offense carried a maximum penalty of seven years in prison. In 1987, he was acquitted of attempted murder but found guilty of possessing an unregistered gun.

German Collision Kills 2 U.K. Airmen

Compiled by Our Staff From Dispatches

BONN — A British Tornado fighter-bomber and two West German Air Force Alpha jets collided during low-level exercises near the north German coast on Friday, killing the two British crew and seriously injuring a West German pilot.

Witnesses said the Tornado crashed in a field only 450 meters (500 yards) from a village school at Wiesmoor. One Alpha crashed a few kilometers away but the other West German plane was able to land at a nearby airfield.

A Defense Ministry statement said the two Alphas, which are light attack and training aircraft, were part of a formation of eight planes on a routine flight.

Several houses on the edge of Wiesmoor were slightly damaged by debris from the Tornado but there were no civilian casualties, the police said.

The accident came amid growing complaints about the dangers to civilians from training flights over West Germany by the North Atlantic Treaty Organization.

A spokesman for the Bonn Defense Ministry said the British plane flew into the group of German jets, which were preparing to land at an air base near Wiesmoor, about 80 kilometers (50 miles) northwest of Bremen.

A spokesman for the Lower Saxony state Interior Ministry said the planes were at a height of 170 meters.

On Dec. 8, a U.S. A-10 Thunderbolt crashed into a row of houses in the town of Remscheid, killing the pilot and five residents.

The Remscheid crash rekindled controversy over low-level military training flights in West Germany, which was sparked in August when an Italian jet crashed into spectators at an airshow at the U.S. air base at Ramstein, killing 87 people.

Last March, a French Mirage jet came down only 1.5 kilometers from a Bavarian nuclear power plant, leading to demands for a ban on flights over nuclear and chemical plants.

On Dec. 15, Chancellor Helmut Kohl said he would seek a reduction in flights under 450 meters to "an absolutely necessary minimum." He said a joint federal-state commission would be formed to consider where cuts could be made.

Low flying was suspended over West Germany by all NATO forces after the Remscheid crash, but resumed on Jan. 2.

A total of 452 West German military aircraft and at least 233 planes from allied forces have crashed in West Germany since World War II.

Government officials said recently that the number of NATO military flights had decreased by 25 percent since 1980. They said there were 900,000 such flights in 1988. Of that number, 87,000 were low-level missions.

Frédérique Lengaigne/Reuters

Rival supporters cheering at the Moscow basketball game between Maccabi Tel Aviv and the Soviet Central Army club.

Israelis Dribble to Victory – In Moscow

By Esther B. Fein
New York Times Service

MOSCOW — Zvi Sherf stood courtside at the Central Army Sports Club and could not quite believe what he was seeing and hearing.

That Maccabi Tel Aviv was playing on a Soviet court was unusual enough: This was just the second time in 21 years that an Israeli basketball team had been here.

But the scene surrounding the court was even more stunning: blue-and-white Israeli flags — large ones draped from poles, small paper ones, homemade ones painted on sheets — all being waved to Hebrew chants of *"Am Yisrael chai!"* — The people of Israel live! — and *"Hevenu shalom aleichem!"* — We bring you peace!

"It's more than exciting. It's more than I can measure in words," said Mr. Sherf, who coached the Israeli team to a 97-to-92 victory Thursday night over the Soviet Central Army club in the quarterfinals of the European *Champion Clubs Cup, broadcast live on* Soviet and Israeli television.

In the past, Soviet and Israeli teams have met on neutral territory when the European Cup schedule called for them to play each other. In 1987, for example, the game was played in Belgium. The last Israeli team to appear in the Soviet Union, for the University Games in 1973, was jeered as it walked into Lenin Stadium that August. That was followed by brawls between police and flag-waving Soviet Jews.

"We felt a lot of tension, a lot of pressure when we found out we were going," Mr. Sherf said. "Both sides have heard a lot of bad things about the other over the last 25 years. It was a big unknown, but it has turned out wonderfully."

The decision to allow the Israeli team to play in Moscow, and to agree to a rematch in Tel Aviv in March, is one of a growing number of steps the Soviet Union appears to be taking toward a resumption of full relations with Israel.

Moscow, an original supporter of the establishment of the state of Israel in 1948, severed diplomatic ties after the 1967 war. But over the last year, cooperation between the two countries has increased. A consular-level Soviet delegation began working in Israel, and a similar group of Israeli representatives is now in Moscow. Soviet officials, including Foreign Minister Eduard A. Shevardnadze, have met with Israeli leaders.

Most important to Israel, the Soviets have relaxed restrictions on emigration, and the number of Soviet Jews granted permission to leave is at its highest this decade.

The process of normalizing relations seemed to be helped along by two unexpected events. First, Soviet gunmen hijacked a plane late last year and forced it to land in Israel, but Israeli authorities turned the men over to Soviet officials. Then Israeli rescue workers, including Soviet Jewish émigrés, joined the relief effort in Soviet Armenia after the earthquake in December.

"As a consequence, people of Jewish nationality are not as afraid," said Arkan Karabchiyevsky, 25, a Hebrew teacher awaiting permission to emigrate to Israel. "They can go openly to a game like this and express their feelings."

The game on Thursday night seemed less a sports event than an occasion for Soviet Jews to flaunt their pride in Israel. Stars of David *and medallions with the word chai, Hebrew* for life, were worn proudly. Heads bared of fur hats were covered with yarmulkes. Hebrew folk songs rang out spontaneously.

Soviet officials said 175 Israeli fans had been issued visas to attend the game, but the loudest Hebrew cheers in the audience appeared to come from Soviet Jews.

"Seeing these people in the stands was a tremendous feeling," said David Federman, who was representing Maccabi's corporate sponsor. "Something very different is going on here. The atmosphere has changed. Now we must hope other things follow."

■ **Fans in Israel Intent**

In Israel, the game was so closely followed that radio appeals were made to taxi and bus drivers not to mix driving and listening, The Associated Press reported.

The viewing audience was huge for the first live telecast from Moscow. In a nation of only 4.2 million, more than 2 million were watching, according to the television managing director, Chaim Yavin.

Shaul Yefan, director of the electric company, appealed to television viewers not to use water heaters and ovens during the game. He said power blackouts might occur because so many TV sets were on at the same time.

Nigerians May Restore Relations With Israel

LAGOS — President Ibrahim Babangida of Nigeria has hinted strongly that his government is moving toward restoring diplomatic relations with Israel.

"Personally I believe this is a matter of time," he said Thursday evening. Most black African countries broke off ties with Israel because of the 1973 Arab-Israeli war and Major General Babangida noted that a number of them had since restored relations.

Kenya re-established ties with Israel last month, bringing to nine the number of black African states with full diplomatic relations with Israel.

"The circumstances which brought about the nonrecognition are fast dying away and the situation may be different as time goes by," General Babangida said.

Angola Vows to Work With U.S. for Peace

By Jim Hoagland
Washington Post Service

LUSAKA, Zambia — Angola pledged on Friday to continue working with the United States to defuse tensions in southern Africa despite President-elect George Bush's new commitment to continue U.S. aid to the rebels led by Jonas Savimbi.

In an interview, Pedro de Castro Van Dunem, the Angolan minister of petroleum and the main foreign policy aide to President José Eduardo Dos Santos, also rejected a call from Mr. Bush to negotiate a political settlement with Mr. Savimbi to end the 14-year guerrilla war by the National Union for the Total Independence of Angola.

Under a U.S.-sponsored agreement signed in New York in December, South Africa is halting its military support to UNITA and granting independence to South-West Africa, also known as Namibia, in return for the withdrawal of an estimated 50,000 Cuban troops from Angola by 1991. This leaves the United States as the major source of supply for the guerrillas.

In the interview and in a speech earlier this week to a group that included officials from a number of African governments that are often critical of U.S. policy in southern Africa, Mr. Van Dunem repeatedly praised the diplomatic mediation undertaken by the United States and spoke optimistically about future relations between Angola and the United States.

He repeated Angola's desire to establish full diplomatic relations with the United States, but said for the first time that Angola would also consider the establishment of a U.S. liaison office in Luanda as a step toward eventual diplomatic recognition by Washington.

In a letter to Mr. Savimbi dated Jan. 6, Mr. Bush pledged to continue U.S. military and diplomatic support for UNITA, whose cause has been adopted by conservative leaders in Washington.

Mr. Van Dunem repeated his government's refusal to negotiate with UNITA, saying that the New York accords had not affected the government's policy of offering clemency and reintegration to any UNITA rebels who put down their arms and renounced violence "with the exception of Savimbi."

But, in a surprisingly conciliatory remark, Mr. Van Dunem added that "perhaps in five years he can become like" Odumegwu Ojukwu, the defeated Biafran secessionist leader who returned to Nigeria under an amnesty program.

Questioned about the reasons for his optimism, Mr. Van Dunem made clear his view that the halt of South African support would be a crippling blow to Mr. Savimbi, who is expected to receive U.S. military aid through Zaire.

Angola Says Rebels Hold Border Zone

By James Brooke
New York Times Service

RUACANA, Angola — Five months after South Africa and Angola agreed to jointly patrol South-West Africa's border, a wide gap remains under the control of Angolan rebels supplied by South Africa, according to an Angolan Army officer.

Major Valeriano Martinho said Thursday that guerrillas of the National Union for the Total Independence of Angola "can do whatever they want" at the 486-kilometer (300-mile) gap — "bring in arms, take out arms, bring in men, take out men."

In late December, South Africa closed foreign press access to guerrilla-controlled areas of Angola. Since then, the South African foreign minister, R.F. Botha, has said that South African aid to the guerrillas has stopped.

Ending aid is one condition of a *regional* peace package that provides for the withdrawal of Cuba's 48,500 troops in Angola, and independence for South-West Africa, also known as Namibia.

Despite the problems to the east, Major Martinho said, peace has returned to the Ruacana area of the border after 14 years of repeated South African invasions and occupations of southern Angola.

Major Martinho, 30, second in command of Angola's cease-fire monitoring team, said the only serious violation of the accord had been South Africa's lack of cooperation on establishing three control posts in the southeastern corner of the country.

South African officials have said the Angolan government is free to set up the remaining monitoring posts. But the cease-fire accords, signed in New York on Dec. 22, rule out large troop movements by either side in the border area.

RELIGIOUS SERVICES

CENTER OF COPENHAGEN
FIRST BAPTIST CHURCH, English speaking, Sun. 9:00, Baggesensgade 7, (Bus 3,5,7,16). Dr. R.J. Robinson, Min. Tel.: (01) 373924.

DUSSELDORF
International Baptist Church. English S.S. 10:00, worship 11:05. Children's church and nursery. Meets at the international School, Leuchtenburger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Delay, Pastor. Tel.: 0211/400 157.

GENEVA
INTERNATIONAL CHRISTIAN FELLOWSHIP Interdenominational, Sun., 10:30. 15, r. de la Navigation, Geneva Pastor Greg Fitch, Tel. 86.42.40.

CHURCH OF THE LIVING SAVIOUR, Geneva's International Pentecostal church, 20 Ave. Ernest-Pictet. Enjoy a warm atmosphere of joyful, spiritfilled worship in English. 10:30 a.m. and 7 p.m. Tel.: 447070 or 988580.

HAMBURG
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at Ev. Freikirchliche Gemeinde Christuskirche, Suttner Str. 18, Hamburg-Altona. Bible Study 1 p.m. + Worship 2 p.m. Tel.: (0) 4101-207933.

HOLLAND
TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel.: 01751 - 78024.

MUNICH
INTERNATIONAL BAPTIST CHURCH, English speaking S.S. 11:45, worship 12:45, nursery, child. ch. provided. Holzstra 9. Evening service 7:00. Call Rev. Paul. Box 089-690-8534.

INTERNATIONAL COMMUNITY CHURCH, services in English 4:30 p.m. Sundays at Enhuberstr. 10. (U2 Theresienstr.). Pastor Ronnie Stevens (089) 850-8617.

PARIS
THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. English speak., evangelical, all denominations. S.S. 9:45; Worship: 10:45. Other activities. Call Dr. B.C. Thomas, Pastor. 47.49.15.29/-47.51.29.63.

INTERNATIONAL BAPTIST FELLOWSHIP meets at 123 Ave. du Maine, Metro Gaité. Vesper Service in English every Sunday evening at 6:30. Tel.: 47.49.15.29/47.51.29.63.

UNITARIAN-UNIVERSALISTS will gather on Sunday, Jan. 15, at 11:20 a.m. 1 rue de l'Oratoire, Métro Louvre. "The Struggle for Religious Freedom in Developing Nations" will be the topic of interest. R.E. for children. Details at 42 78 82 58 or 45 32 48 44.

STOCKHOLM
IMMANUEL CHURCH, Kungsterag. & Birger Jarl. Friendly christen fellowship. English, Swedish & Korean 11:00. Tel.: (08) 151225, & 309803.

ZURICH
INTERNATIONAL PROTESTANT CHURCH, English speaking, Sundays 11:30 a.m., Schonenggasse 25. Tel.: (01) 69 55 25.

L.A. Acts to Ease the 'Smoghouse Effect'

By Jay Mathews
Washington Post Service

LOS ANGELES — Long ago on this broad coastal plain, nurtured by cool sea breezes and just enough rain, thick forests probably grew. But burning by American Indians and cutting and paving by Spanish and American settlers have left little hint of those leafy green days.

Now, a few optimistic souls, including the mayor, have vowed to plant millions of trees in Los Angeles.

This city of gray-black asphalt freeways and carbon-belching automobiles has been identified as a harbinger of doom while scientists warn of the potentially disastrous, worldwide warming trend called the "greenhouse effect."

Jeremy Rifkin, an environmentalist, said, "The state of California itself ranks among the top 10 countries in the world in the production of greenhouse gases."

So Mr. Rifkin gathered with Mayor Tom Bradley and other community leaders this week to announce the start of an attack on carbon dioxide and other gases that trap heat in the atmosphere and threaten eventually to drown seaside communities by melting polar ice and turning the U.S. Midwest into a desert.

Mr. Rifkin is president of the Foundation on Economic Trends, a Washington-based public affairs group that has been sounding the alarm on the putative environmental hazards of genetic engineering and global warming.

He spoke as a member of the recently formed Global Greenhouse Network, a group of organizations and lawmakers in 35 countries whose goal is to halve global carbon dioxide emissions by the year 2030.

Mr. Rifkin said he hoped that the tree program would be the first step in a worldwide effort to use local solutions to stem global warming without waiting for national and international bodies to act.

Scientists continue to debate fiercely about how pronounced the greenhouse effect may be and when it may occur. Global Greenhouse Network has decided action must be taken immediately.

Mr. Bradley said his administration was launching an attempt to plant between two million and five million trees throughout Los Angeles in cooperation with a community group, TreePeople, which has been trying with mixed success for more than 16 years to preach the urgency of such an effort.

Mr. Rifkin said the announcement marked the beginning of a sister-city campaign to persuade urban mayors and councils worldwide to start planting trees, which absorb carbon dioxide and cut emissions from factories and autos.

"We can only curtail the global warming trend by starting this urban program immediately," Mr. Rifkin said.

Mr. Bradley said, in a prepared *statement: "I pledge today to help* raise the awareness among mayors throughout the world of the importance of energy conservation, urban forestation, mass transit and development of clean-burning fuel technologies as a means of ensuring the continued survivability of this planet."

It remains to be seen how far this effort will go in a city already nonchalant about predictions of catastrophe from a major earthquake. TreePeople's efforts to plant more trees along thoroughfares where only utility poles and hamburger stands sprout have been only moderately successful.

Andy Lipkis, executive director of TreePeople, said that an effort to plant one million trees before the 1984 Summer Olympics in Los Angeles relied mostly on private efforts by homeowners and that no one had studied how many saplings took root.

Mr. Lipkis said he has new reason *for optimism, given concern* about the greenhouse effect: The American Forestry Association has announced a campaign to raise funds and attract volunteers to plant 100 million trees in U.S. cities over the next four years.

Although Mr. Bradley said no *extra city funds were available to* aid the tree-planting here immediately, John Stodder, his assistant for environmental issues, said city help in providing land and tree maintenance may be possible.

Mr. Lipkis said he was trying to raise about $100,000 from corporate *sponsors to plan reforestation.*

The global warming is caused by various gases, particularly carbon dioxide produced by combustion of fossil fuels, chlorofluorocarbons and halons from industry, methane from agriculture and waste dumps and nitrous oxides from motor vehicles and fertilizers.

These gases absorb radiation from the sun that would normally be reflected back into the outer atmosphere, and thus they cause a gradual warming of the Earth's surface.

At N.Y. Airport, a New Breed of Baggage Hustler

By Michael T. Kaufman
New York Times Service

NEW YORK — In the year since self-service baggage carts were introduced at Kennedy International Airport, hundreds of free-wheeling hustlers who retrieve the wagons for their 25-cent return fee have taken to cruising the terminals, stealing baggage from the carts and fleecing passengers with a host of confidence schemes.

"The carts have brought in an element that we have not seen before," Captain Frank Fox of the Port Authority police acknowledged. He said that luggage thefts and crimes in the airport's parking lots have increased in the last year, although the correlation between the increase and hustling is not certain.

A spokesman for the Port Authority, which operates the airport, said management there had identified four types of hustlers. The first to appear were enterprising scavengers who took advantage of the fact that few travelers bothered to return the rental carts to the stands.

The scavengers search the parking lots for the carts, return them to the racks and collect the 25-cent refund. Some wheel as many as 50 carts at one time.

The spokesman, Lloyd Schwalb, said this was legal, even helpful, because it assured a constant supply of carts in the more than 70 racks from which they could be rented.

But some hustlers, Mr. Schwalb said, have gone from simple retrieval to developing "their own specialities." There are those, for example, who instead of returning the carts for 25 cents, offer them to rushing passengers for the full $1 rental.

Others, he said, use the carts to provide porter service and expect to receive a tip. Still others knock bags off the carts for accomplices to pick up, or slip luggage under the cars or taxis into which they appear to be loading it.

The carts were used in airports all over the world, including 55 in the United States, before they were put into service at Kennedy, Mr. Schwalb said.

On a recent visit to the airport, a reporter found that some hustlers wore brown jackets to look official and posed as managers of taxi fleets, collecting fares in advance from unknowing passengers about to enter cabs.

Louis Gachelin, a taxi driver who frequents the airport, said he has twice been a victim of this scam. "I tried to explain to the passengers that there is no such thing as paying in advance," he said. "But they thought I was up to a trick and refused to pay me."

'It's only a matter of time before someone gets killed.'

The hustlers are scorned — and feared — by legitimate airport porters, called skycaps.

They complain that in addition to the tips the rental carts have cost them, they are being intimidated and beaten by some of the hustlers.

Porters and taxi dispatchers at the airport say that 300 to 400 hustlers, in all the categories, operate there. Some seem to live at the airport as well, using its bathrooms and feeding the change they get into pay televisions at the International Arrivals Building.

Four porters have been severely injured in fights with hustlers in the last three months, and many say they work in pairs for protection.

The porters say the hustlers are armed with razors, knives and guns, and they concede privately that as a consequence they, too, are carrying weapons to work. On Jan. 7, 15 hustlers were arrested at Kennedy, among them a man wanted for murder in California, Mr. Schwalb said.

"It's only a matter of time before someone gets killed," said Larry Robertson, a porter with 20 years' service, who was badly beaten by a hustler last month. Although it hurt to talk because his mouth was wired as a result of the beating, Mr. Robertson spoke of the daily incidents and *harassment. "A lot of us who work out here are scared."*

The introduction of the carts had to await the completion of an agreement with the porters' union, which compensated porters for lost tips. Porters earn $14,000 a year before tips.

Mr. Schwalb said that before a contract was awarded to the Smarte Carte Co. of White Bear, Minnesota, the success of the carts in other cities was studied. None of the studies "turned up the kind of problems that have developed here," he said.

According to Mr. Schwalb, the carts have been extremely popular with travelers and have reduced the congestion at the airport.

He said that although the agency has increased its police patrols and its arrest rate, the problems with the hustlers remain. He added that options other than eliminating the carts are being considered.

Several police officers, as well as taxi drivers and dispatchers, said they thought the problem of hustlers was related to the large number of homeless people in New York, some of whom live in the airport, and to the spreading local crack addiction, which has forced people to find ways to support their drug habits.

But some hustlers tell a different story. "Almost all of us are unemployed, and this is the only place in the city where we can come and make a living," one said. "We don't interfere with the regular skycaps, and we fill a void."

Because travelers love the carts, Mr. Schwalb added, the Port Authority will continue trying to "eliminate or discourage the hustlers."

"But we are in New York," he added, "and we know that as we get smarter, the hustlers get smarter."

WORLD BRIEFS

Woman Killed by Beirut Car Bomb

BEIRUT (NYT) — A car bomb exploded Friday during a demonstration staged by the pro-Iranian group Hezbollah, or Party of God, in the predominantly Shiite Moslem southern suburbs of Beirut. The police said that a woman was killed and 15 other persons were wounded.

Many people were trampled underfoot as crowds participating in the march ran from the scene of the blast, witnesses said. The demonstration, led by Shiite clerics who control Hezbollah, was to protest a week of battles with the rival Shiite Amal militia in southern Lebanon.

Gunmen from the two factions clashed again Friday with artillery and rockets at the village of Jebaa in the district of Iqlim al Toffah, southeast of the port of Sidon. Police said two more persons were killed in the violence Friday, raising to 94 the death toll since the present round of fighting erupted a week ago.

Israeli Troops Kill 2 Arab Teen-Agers

JERUSALEM (NYT) — Two Arab teen-agers from West Bank and Gaza Strip refugee districts who were shot by Israeli troops died Friday, Palestinians said.

Mohammed Salhous, 14, of the Nuseirat camp in Gaza, died from a wound suffered Thursday. Doctors said he had been shot in the head with a plastic bullet. In the West Bank, Nabil Abu Laban, 15, of the Dheisheh refugee camp, was shot through the heart during demonstrations Friday.

Meanwhile, Prime Minister Yitzhak Shamir said he would be willing to participate in an international conference whose purpose would be to settle the problem of Palestinian refugees, which he called "a human tragedy for which the Arab countries are to blame."

Amin Turned Back by Saudi Arabia

KINSHASA, Zaire (Reuters) — Idi Amin, the deposed Ugandan dictator, returned here on Friday after Saudi Arabia refused to accept him back.

Mr. Amin arrived aboard a Zairean government plane that had taken him to Senegal on Thursday to catch a flight to Jeddah. Diplomats in the Senegalese capital of Dakar said Saudi Arabia apparently did not want Mr. Amin to return to Jeddah, where he has lived since being toppled in 1979.

Mr. Amin, 61, was arrested at Kinshasa airport Jan. 3, when he tried to slip back into Africa with one of his sons under a false name. He was deported from Zaire on Thursday and flown to Dakar to catch a scheduled flight to Jeddah. But once there, he never boarded the plane and was kept away from reporters at the airport.

Reagan, in Talk, Chides Some Blacks

WASHINGTON (UPI) — President Ronald Reagan, in a television interview to be broadcast Sunday, suggested that some black leaders who *have criticized him are motivated* by personal gain and are "keeping alive the feeling that they're victims of prejudice."

The interview with the president and his wife, Nancy, to be aired on a CBS news program, involved a range of topics, from Mr. Reagan's highest and lowest moments to Mrs. Reagan's power in the White House. The president leaves office Friday.

When asked about his civil rights record, Mr. Reagan said that, as governor of California, he appointed more blacks to top positions than all previous governors in the state combined, and that as a sports announcer, he was a member of a "little group in the nation that editorialized constantly" not to deny blacks the right to play major league baseball. The president then indicated that he felt that black leaders critical of him may be disingenuous.

Montenegrin Assembly Is Dissolved

BELGRADE (AFP) — The assembly of the Yugoslav republic of Montenegro was dissolved Friday by a special session of the assembly held two days after demonstrators forced the republic's government and Communist Party leaders to resign.

In a speech roundly attacking Yugoslavia's political system, the outgoing vice president of the assembly, Bozidar Tadic, stressed that the discontent of workers and students was primarily directed at the "ineffectiveness of the federal government."

Montenegro, underdeveloped and beset by poverty, was the principal victim of the ineffectiveness, Mr. Tadic said. The republic recorded a deficit of 114 billion dinars ($20 million) for the first nine months of 1988.

For the Record

Foreign Minister Eduard A. Shevardnadze of the Soviet Union arrived in Kabul, Afghanistan, on Friday, the official Kabul radio said. Moscow is due to complete the withdrawal of its troops in a month. *(Reuters)*

The Soviet Union's first official Jewish cultural center will open in Moscow on Feb. 12, the World Jewish Congress said Friday. It will offer books and films on Jewish history and culture as well as lectures, concerts, seminars and Hebrew classes. *(Reuters)*

TRAVEL UPDATE

Mechanics Press Demands at Iberia

MADRID (AP) — The state-owned Spanish airline Iberia canceled 118 of its 443 scheduled domestic and European flights Friday as jet mechanics seeking better pay and working conditions carried out their seventh 24-hour strike in a month, a company spokesman said.

The spokesman said the strike primarily affected airports in Madrid *and Barcelona, forcing cancellation of flights* to Paris, Brussels, Geneva, Amsterdam, London, Hamburg, Frankfurt, Zurich, Rome, Milan and Lisbon.

The spokesman said "there was no end in sight to the dispute" because no company-union meetings were scheduled and the mechanics had threatened to continue the strikes through Easter unless the company accepted its demands.

Finland Tightens Airport Security

HELSINKI (Reuters) — Security at Finland's airports has been increased after threats against Finnish air traffic, the National Board of Aviation said Friday.

No details of the threats or the security measures were revealed by the board. It said in a statement, "Threats leveled at air traffic in various parts of Europe in recent weeks now concern traffic in Finnish airspace as well." An airline spokesman said the extra security was causing slight delays.

The number of tourists visiting Israel fell 15 percent in 1988, after the start of the Palestinian uprising in the occupied territories, the National Bureau of Statistics reported. *(AFP)*

Dhaka union leaders called off a transport strike Friday that had caused nationwide shortages of essential supplies for a week, officials and union leaders in Bangladesh said. *(AFP)*

Reporters Breach Airport Security At Heathrow

Reuters

LONDON — Britain tightened airport security further Friday after two reporters said they separately breached procedures at Heathrow airport since a bomb blew up a Pan Am Boeing 747, killing 270 people.

Transport Minister Paul Channon had already imposed stricter security a week ago after the Dec. 21 bombing. Pan American World Airways Flight 103 was blown up over the Scottish town of Lockerbie after it left Heathrow for New York. Mr. Channon ordered extra security measures amid demands for the prosecution of the television and newspaper reporters.

Stewart Morris, a London Weekend Television researcher, said he disguised himself as a cleaner and planted a package under a seat on a Japan Air Lines flight.

A reporter, Paul Ross, later retrieved the package in midflight and carried it unchallenged into the cockpit. "It could have contained a bomb, a gun or a knife," he said.

A Daily Express reporter, Graham Dudman, wrote that he obtained a job as a cleaner at Heathrow without security checks and was able to enter secure areas carrying packages, and to board trans-Atlantic airliners.

A Look at the Bush Cabinet: Old Washington Hands Outnumber Any New Faces

By R.W. Apple Jr.
New York Times Service

WASHINGTON — Michael S. Dukakis promised a campaign about competence, not ideology. George Bush, who beat him, completed the selection of a cabinet this week that might be described with the same words.

The president-elect's 14 choices for the cabinet, as well as those for the half-dozen or so other jobs that strongly affect the substance and personality of an administration, resemble the selections of a parliamentary leader more than those of an American chief executive.

Prime ministers choose ministers almost entirely from the relatively small pool of people who have accumulated experience — and presumably wisdom — in prior governments.

For all his talk of the need for new faces, Mr. Bush has done the same thing.

"It's quite unusual for this country," one of those chosen for a powerful post commented. "We usually have government by amateurs here."

With relatively few exceptions, the nominees are white male governmental professionals or semipros.

Most of them live inside the Beltway, as the Washington phrase has it, and most of them are pragmatists, which is what people inside the Beltway like.

And most of them, like the man they are going to work for, play tennis. James A. Baker 3d, Mr. Bush's choice for secretary of state, has been his on-court partner since 1970, and Clayton K. Yeutter, the choice for secretary of agriculture, is so proud of his game he *that mentions it* in Who's Who.

There are not many names on the list that bring to mind the kind of fire-breathing ideologues President Ronald Reagan often favored.

Former Representative Jack F. Kemp may be a "movement conservative," but Mr. Bush has named *him* secretary of housing and urban development, a post *where Mr. Kemp's views on minority* economic development, most unorthodox for a rightist, are likely to come into play.

Likewise, former Governor John H. Sununu of New Hampshire has been chosen as White House chief of staff, a position that requires some submergence of personal ideology in the interest of efficiency.

A third outspoken conservative, William J. Bennett, has been chosen as coordinator of the campaign against drugs, a position more hortatory than administrative.

So what happened to the new faces? Mr. Bush, before flying to the Florida Keys for a weekend of fishing, said it had all been a misunderstanding.

When he used that expression, the president-elect told reporters: "I never pledged that I would have a totally inexperienced Cabinet." In fact, there are only three or four governmental tenderfeet among Mr. Bush's two dozen.

The recycling is especially evident in senior posts: Nicholas F. Brady at the Treasury, Richard Thornburgh at Justice, and William H. Webster at the Central Intelligence Agency will not even have to rehang their pictures, having been chosen to keep the jobs they had in the Reagan administration.

Many others are playing musical chairs. Mr. Bennett used to be at Education, Mr. Baker used to be at Treasury, and, before that at the White House, and John G. Tower, who has been picked to run the Pentagon, used to be in the Senate.

Only a few people will have to find new houses because they come from outside the Beltway: Robert A. Mosbacher, the commerce secretary-designate, is coming from Texas; Dr. Louis W. Sullivan is coming from Atlanta to take over at Health and Human Services; and Samuel K. Skinner is coming from Illinois to head Transportation.

Mr. Bush seems to have made no great effort to ensure geographical diversity, although most of the bigger states are represented, with two major appointees from California, two from New York, two from New Jersey, four from Texas, and three from Illinois. But the vast majority moved to Washington many years ago.

Professional expertise appears to have governed many choices. James D. Watkins, an outspoken, no-nonsense retired admiral, seems to have been selected as energy secretary because of his knowledge of nuclear power.

William K. Reilly was chosen as administrator of the Environmental Protection Agency after a career in the conservation movement. Mr. Tower was a military affairs specialist on Capitol Hill.

Mr. Skinner, chosen to head the Transportation Department, did the same thing for the state of Illinois that he will do in Washington if he is confirmed.

The president-elect was unable to find the prominent Democrat he had sought to give a semblance of partisan balance to his team.

But he chose a black, Mr. Sullivan; two Hispanics, Manuel Lujan Jr. for Interior and Lauro F. Cavazos for Education, and two women, Elizabeth Hanford Dole for Labor, and Carla A. Hills as United States trade representative.

Many earlier Republican presidents, and a few Democrats, reached into the ranks of corporate executives. Dwight D. Eisenhower, for example, chose Charles E. Wilson of General Motors and Neil H. McElroy of Procter & Gamble.

Mr. Bush has not done that. Mr. Brady, a Wall Streeter, and Mr. Mosbacher, a Texas oil and gas man, are both businessmen, of course, but they have built careers outside big companies.

More important, they, like Mr. Bush and Mr. Baker, were born to privilege and built upon that fortunate circumstance rather than sitting back and merely enjoying it.

If General Eisenhower enjoyed having corporate big shots as his cronies, if Ronald Reagan preferred the big, new money of California, George Bush appears most at home with those accustomed to wealth but not driven by it.

U.S. Admits Tax Rewrite Will Widen The Deficit

By Paul Blustein
Washington Post Service

WASHINGTON — Buried in President Ronald Reagan's final budget is the surprising admission that the 1986 rewrite of the tax laws will unexpectedly worsen the federal budget deficit by about $20 billion a year over the next four years.

The disclosure, contained in figures based on new Treasury Department estimates, indicates that the administration and Congress may have inadvertently cut tax revenue.

A major assumption behind the Tax Reform Act of 1986, which sharply reduced tax rates and eliminated many tax breaks, was that revenue would be neither higher nor lower compared with the previous law, and thus would have no long-term effect on the deficit.

But the Treasury now estimates that, instead, the law's sweeping changes will cost the government $24.4 billion in the current fiscal year, when the deficit is projected to be $161.5 billion.

The estimated shortfall for fiscal 1990 is $20.3 billion. For that fiscal year, Congress and the incoming Bush administration are looking for ways to cut the deficit by at least $27 billion — and probably more than that — to comply with the Gramm-Rudman-Hollings law, which sets a $100 billion deficit target for fiscal 1990.

Deficit-reduction measures of that magnitude will require severe restraint on many popular programs or politically difficult tax increases.

The new figures were produced as part of the administration's normal budget process and tabulated in a section discussing the impact of past tax laws. The revenue losses from the 1986 law were estimated at $8.9 billion in fiscal 1988, and projected at $16.4 billion in fiscal 1991 and $20.9 billion in fiscal 1992.

Treasury officials could not provide an immediate explanation for the new forecast, but the figures "certainly do catch your eye," an official said.

The law was expected to produce fluctuations in tax collections in its early years. But congressional tax experts and the Treasury estimated at the time it was passed that over a five-year period the variations would cancel each other out and produce no net effect on the deficit. Instead, according to the new figures, the law will increase the national debt by nearly $50 billion over the same five years.

The Treasury figures showed that the law produced a substantial revenue gain of $21.5 billion in fiscal 1987, its first year of implementation. In that year, revenue flowed into the government at unexpectedly high levels because many people had sold stocks and other assets in 1986 in anticipation of the new law's less-favorable treatment of capital gains.

Revenue estimates, especially involving huge tax-law changes such as the one that occurred in 1986, are notoriously imprecise. The federal government's receipts currently total nearly $1 trillion per year.

The revenue losses arising from lower tax rates are relatively easy to calculate, one official said, but it is much more difficult to estimate the gains arising from the elimination of deductions and credits; this problem may have caused the estimated losses to swell, he said.

Moreover, the estimates do not reflect the impact of the tax-revision law on the overall performance of the economy, said John G. Wilkins, a senior Treasury tax expert. He observed that if, as many economists believe, the 1986 law spurred economic growth, then the resultant higher personal incomes and corporate profits would have increased federal revenue. Yet, the revenue figures "capture none of the macro effects of tax law changes," Mr. Wilkins said.

Flor Contino/Reuters

NEW CHARGES AS MEXICAN CRISIS EASES — *Joaquin Hernández* Galicia, the Mexican oil workers union leader jailed for stockpiling weapons and ammunition, has been charged with murder in the death of a federal agent during the military assault on his home Wednesday, and with resisting arrest. Two days after his arrest along with the union secretary-general and 48 other high union officials, striking oil workers were returning to work on Friday.

Main Counts Against North Dropped

By Michael Wines
New York Times Service

WASHINGTON — Federal Judge Gerhard A. Gesell on Friday dismissed the core of the criminal case against Oliver L. North for his role in the Iran-contra affair, but he fixed responsibility for his decision on the Reagan administration, which he said had refused to let the case go forward.

The judge acted one day after Attorney General Richard L. Thornburgh provided a sworn statement confirming that he was prepared, if the need arose, to legally block the disclosure of classified evidence deemed vital to the trial of Mr. North, a former White House national security aide.

At a hearing on Mr. North's case, Judge Gesell said that the government's refusal to provide the necessary evidence had left him "totally powerless to direct that the case proceed."

The two charges dropped Friday accused Mr. North of illegally diverting more than $14 million to the Nicaraguan contras, the U.S.-supported rebels, from the proceeds of U.S. arms sales to Iran.

Mr. North still faces 12 other criminal charges, including obstruction of justice by shredding documents and making false statements to Congress.

White House lawyers, meanwhile, moved to stop Mr. North's effort to force President Ronald Reagan and President-elect George Bush to testify.

The administration filed a motion raising the threat of a constitutional battle "of potentially major dimensions." It said it has been offering to respond in writing since Sept. 28 to any "reasonable written questions" Mr. North might ask.

Mr. North's lawyers have subpoenaed Mr. Reagan and Mr. Bush to testify at the trial, now set for Jan. 31, but no sitting president has ever testified in person in court.

The disclosure of willingness by the White House to answer questions in writing came in a brief by Mr. Thornburgh, who said that Mr. North "has not identified any of the issues on which he wishes to examine the president or president-elect and has not demonstrated the need for their testimony."

The attorney general said that Mr. Reagan would consider "furnishing appropriate information in writing in response to reasonable written questions."

Judge Gesell dropped the two main charges under a section of the Classified Information Procedures Act in which the attorney general can certify that a trial may result in the disclosure of classified data.

Bush's 'Drug Czar': A High-Profile Post

By Michael Isikoff
Washington Post Service

WASHINGTON — In choosing William J. Bennett to be the U.S. government's new "drug czar," President-elect George Bush has named a sharp-tongued neoconservative intellectual who is likely to turn the newly created post into one of the highest-profile jobs in federal government, according to many of his former associates.

During his three and a half years as secretary of education, Mr. Bennett showed a flair for grabbing headlines, using the job as a forum to issue pronouncements on everything from the virtues of Western civilization to the slipshod standards of modern universities.

It was a combative, often controversial style that at times infuriated members of the academic establishment as well as some of his colleagues in the Reagan administration.

But it made Mr. Bennett a logical candidate to be National Drug Policy Director, particularly among those who argue that it is first and foremost a "rhetorical" post — part of a struggle to raise the national consciousness and reduce the consumption of drugs.

His new job, Mr. Bennett said Thursday, "certainly has its aspects of, if not howling, of talking to the American people, having a conversation with the American people, because I think public opinion, public feeling, public attitude matters so much.

"In the war against drugs, you don't, I guess, expect me to be walking a beat or patrolling in people's houses."

A graduate of Gonzaga High School in Washington, Mr. Bennett, 45, has sometimes been described as a cultural anomaly: a beer-drinking, locker-room backslapper who played offensive tackle on the Williams College football team and once had a blind date with the late rock star Janis Joplin. He "just drank a couple of beers" with her, Mr. Bennett said.

But he is also a Harvard-educated lawyer who flirted with leftist politics in the 1960s, underwent an intellectual conversion and emerged as a conservative critic of liberal culture.

He is no stranger to the drug issue. Mr. Bennett repeatedly raised tempers over it within the Reagan administration, calling for the use of military force against drug smugglers and announcing at a White House conference that the country was "losing" the drug war, contradicting the official administration stance.

For those and other reasons, some critics denounced the Bennett appointment, saying it signaled an escalation of the punitive "zero tolerance" approach pioneered by Edwin Meese 3d, the former attorney general. "If George Bush promised us a kinder and gentler America, he just broke his promise," said Arnold Trebach, president of the Drug Policy Foundation. He said that Mr. Bennett had "generally advocated the line of the most extremist groups" on the drug issue.

Mr. Bennett faced criticism on other grounds. "What concerns me most is his total lack of background in law enforcement," said Joseph R. Biden, Democrat of Delaware, chairman of the Senate Judiciary Committee.

Some former associates said Mr. Bennett's relationship with Congress may be his biggest problem. As education secretary, Mr. Bennett showed a "disdain" for Congress that bordered on contempt, said one who knows him well. "He did less fence-mending with the Congress than any other cabinet official I've ever seen," this person said.

When Mr. Bennett resigned as education secretary last September, he forswore government service for the time being. But last month, he called President-elect George Bush to volunteer for the drug position.

Canberra Mourns Slain Policeman

Reuters

CANBERRA — About 2,000 people, many of them police officers, paid their last respects Friday to the third-ranking policeman in Australia, shot earlier this week in what officials said could be a professional slaying by a drug gang.

"The cold-blooded killing represents a new chapter in the annals of Australian crime history," Justice Minister Michael Tate told reporters after the funeral of Colin Winchester, 55, the assistant federal commissioner.

Mr. Winchester was shot in the head outside his home in Canberra on Tuesday. Mr. Tate has said police suspect a drug gang organized the killing in order to intimidate witnesses in pending trials.

AMERICAN TOPICS

Majority of U.S. Jews Keep Liberal Outlook

"Despite the sociological rule that economic success usually leads to conservatism, American Jews remain distinctly liberal in their outlook, as even the disappointed conservatives among *them concede*," Peter Steinfels reports in The New York Times.

There are *exceptions*. Many contributors to Commentary, the journal of the American Jewish Committee, are conservative. The liberal alliance of blacks and Jews has frayed. But Jewish liberalism persists.

A survey carried out last April for the American Jewish Committee shows that four times as many Jews call themselves Democrats as Republicans, while among other white Americans, the two parties can claim roughly equal numbers. Only 37 percent of Jews polled approved of putting a menorah, a candelabrum used in Jewish worship, on public property to mark the Hanukkah holiday, although 81 percent of other whites had no objection. *Similar findings* appeared in a Los Angeles Times poll.

Professor Steven M. Cohen of Queens College, New York, who conducted the committee's poll, said many Jews think their religious heritage fosters liberal views. Of those polled, 44 percent agreed that "Jewish values, as I understand them, lead me to be politically liberal."

Short Takes

The decennial U.S. census in 1990 and the subsequent redrawing of legislative districts are likely to bring about a further dilution of rural interests. The shift of U.S. population from farm to city has been going on for a century. But now the trend is reaching even the farm states, the more so because of the farm crisis of the mid-1980s. Not only may states like Iowa and Kansas lose seats in Congress, but the balance of their state legislatures is likely to shift. "We are approaching a watershed," said Donald Avenson, speaker of the Iowa legislature. "There will be more districts with a suburban or partly urban flavor."

The best film, foreign or domestic, of 1988 was "The Thin Blue Line," a documentary about a murder, according to a consensus of 100 American film critics reported by The Washington Post. That film was followed, in order, by "Bull Durham," "Who Framed Roger Rabbit," "A World Apart," "Rain Man," "The Last Temptation of Christ," "Wings of Desire," "Babette's Feast," "The Unbearable Lightness of Being," "Big," "Women on the Verge of a Nervous Breakdown" and "A Fish Called Wanda." "Cocktail" was rated the worst film, followed by "Arthur 2," "High Spirits," "The Great Outdoors," "Hot to Trot," "Vibes," "Rambo III," "Rent-a-Cop," "Big Top Pee-wee" and "Scrooged."

German shepherd dogs and Labradors have been used for two decades by the Customs Service to work behind the scenes at airports, sniffing out drugs and other contraband. Now, in a program being tested in Miami, the service is using smaller dogs — a cocker spaniel and two mongrels — in public, sniffing at passengers and carry-on luggage. In two weeks, the cocker has made three finds of marijuana and one of $21,545 in unreported currency, which apparently had enough drug residue on it to get the dog's attention, said Chuck Meaders, canine enforcement supervisor. All three dogs came from a pound. "More than 90 percent of all of our narcotic detector dogs are taken from the death rows of animal shelters," Mr. Meaders said.

Louis, Boston, has set up a Manhattan branch where ties go for $70, suits start at $795 and go to $3,250 for a cashmere number. The atmosphere is leisurely. "You can't just come in, grab a shirt and leave," said the company's president, William Pearlstein. "We will only work with people who concentrate on the art form of how they dress."

Arthur Higbee

Florida Boy Torches School

The Associated Press

WEST PALM BEACH, Florida — An 11-year-old set fire to his school in hopes of being transferred to the one his sweetheart attends, the fire marshal said.

"The motive was love," Fire Marshal Jerry Catoe said.

Not only was the boy arrested, but the girl broke up with him when she found out about the $1-million blaze, Mr. Catoe said. The boy and two friends — boys ages 12 and 7 — were charged Wednesday with arson and burglary in the nighttime fire Dec. 30 at the Southboro Elementary School.

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OPINION

As the Afghan Clock Ticks

Moscow has been bargaining with the Afghan resistance, attempting to secure a place for some part of the Kabul regime, at least for a decent interval, as Soviet troops complete their withdrawal next month. Moscow wants a cover for its defeat. But the guerrilla groups say they cannot countenance any deal with the agent of an aggressor power in a war that has killed and maimed a million or more Afghans, driven perhaps 5 million others out of the country and otherwise wrought indescribable harm. There the matter rests nervously as the clock ticks down to Feb. 15.

That Moscow will get out by that date, as it pledged in April, seems fairly certain. Not to leave would expose the new Soviet leadership to global questioning of its word and would deny it the relief it sought by undertaking to cut its losses in the first place. On their part, the United States and others are right to insist that full withdrawal on the schedule set in Geneva is essential to put Afghanistan back together again.

It becomes increasingly clear, nonetheless, that the Soviets hold cards. Kabul, the single relatively war-free place in a tormented land, was worked into the Soviet power grid late last year. Most of this refugee-swollen city's flour, oil and other crucial supplies are trucked from the Soviet Union. Without Moscow's maps showing where the Red Army laid millions of mines, returning refugees face terror in the countryside. In offering $600 million through the United Nations for rehabilitation, the Kremlin was dangling a tempting but revocable reward. Its capacity to conduct bombing raids from nearby Soviet airfields is real.

In short, while international attention is focused on Soviet withdrawal, the guerrillas cannot afford to ignore the broader conditions that will exist when the troops go home. No outsider can presume to tell Afghans, who have suffered, fought and defeated a great power, how they should build their future. What strikes the outsider, nonetheless, is the complexity of the problems Afghans face — their relationship with Moscow, for instance, and their tardiness in meeting the priority need of forming a political structure to enable them to meet those problems. It is not simply that the resistance rejects the partners Moscow offers, if that is its choice. The resistance is not organizing itself even without those partners. Feb. 15 is approaching fast.

— THE WASHINGTON POST.

Keeping the Beacon Lit

On Wednesday night President Reagan recounted the story of an Indochinese refugee calling from his crammed and leaky boat to a crewman on the carrier Midway: "Hello, American sailor — Hello, Freedom Man." Yet his administration proposes to make room for more Soviet refugees mostly by lowering the quota for Southeast Asians.

This juxtaposition of Mr. Reagan's reverential rhetoric and his own aides' slashing of quotas mocks the spirit of U.S. refugee policy. It also offers the worst solution to a difficult, delicate problem.

Under the 1980 Refugee Act, foreigners who can demonstrate "a well-founded fear of persecution" are entitled to permanent sanctuary. Thousands are admitted under annual allotments for various areas. The ceilings fluctuate with changing world conditions and with funds available for benefits after the refugees arrive.

For the current year, the administration proposed to admit 90,000 refugees. Of these, 53,000 were to come from Asia, about half from Vietnam and half from "first asylum" countries like Thailand, where Indochinese refugees have languished while awaiting resettlement.

The administration also proposed to admit 18,000 refugees from the Soviet Union. But new Soviet openness, and unrest in the Caucasus, has prompted many more, particularly Soviet Jews and Armenians, to apply for admission. As an interim measure, Attorney General Richard Thornburgh has agreed to use his discretionary "parole" authority to admit up to 2,000 additional Soviets a month for several months. These parolees get no special benefits.

Now the administration proposes to go further and shift 7,000 refugee slots from other places to increase the Soviet quota. It says the slots will come mainly from unused allocations for political prisoners not yet released by Vietnam. But why send Hanoi a signal that seems to say the United States has lost interest in their release? Besides, there are three better ways to accommodate the Soviets without hurting the Vietnamese.

- Raise the overall ceiling for refugees and ask Congress to allocate additional funds or seek money from private organizations.
- Encourage more Soviets to apply for entry as immigrants who might qualify under family or occupational preferences.
- Consult quickly with Congress and create another standard for entry that would be less demanding than the fear of persecution but more compelling than the desire for economic improvement.

Mr. Reagan referred to America as "still a beacon, still a magnet for those who must have freedom." Unfortunately, Mr. Reagan's policy fails to match his rhetoric. It is George Bush's turn to relight the beacon.

— THE NEW YORK TIMES.

To Execute a 7-Year-Old?

Sometimes even small children can do terrible things. Imagine, for example, a 7-year-old girl, big for her age but not bright enough to have learned to recite the alphabet or read or write her name. Suppose she planned to steal something from a neighbor, was caught in the act and, fearing that she would be identified and punished, picked up a pair of scissors and stabbed the neighbor to death. That would be a horrendous act for which some punishment would certainly be due. But should the 7-year-old be executed? We all know the answer is no.

Except that he is male and chronologically over 21, the description of the little girl fits John Paul Penry, who is now awaiting execution in Texas. He has an IQ somewhere between 50 and 63, which means he has a mental age of 6 or 7 and the social maturity of an 8- to 10-year-old. He entered the home of Pamela Carpenter to rape the 22-year-old Texan and murdered her with scissors because, he confessed, he was afraid she would identify him later. The police read him his Miranda rights, and he complacently declined a lawyer. They questioned him for 11 hours, and he confessed. After a hearing, he was found competent to stand trial, and after having heard evidence of his retardation, a Texas jury convicted him of murder and sentenced him to death.

When the Penry case was argued in the Supreme Court this week, defense attorneys offered two grounds for reversal. They challenged the constitutionality of the Texas capital punishment law because it allows a sentencing jury to consider only aggravating and not mitigating factors. And they contested the constitutionality of executing a mentally retarded person. It would be easier for the court to decide the case on the basis of the Texas statute, but it should rule on the question of national importance. That might have broad ramifications, since no one knows exactly how many mentally retarded people are now on death row. But this condition, unlike mental illness, is readily diagnosed on the basis of school records and standardized tests.

We believe capital punishment is wrong in all cases, that society as a whole should be held to a higher standard than the most degraded of individuals. Most Americans do not agree, but most would be repelled by the thought of a 7-year-old being strapped to a table and given a lethal injection. John Paul Penry is a dangerous person. He knows what he did, he should be punished, and for the safety of the community he should be confined. But to kill him and others like him not only violates the constitutional ban against cruel and unusual punishment but the most basic standards of decency.

— THE WASHINGTON POST.

Other Comment

It Sure Looks Like Racism

The experts have been telling us that what has been going on in China is not racism — certainly not as we knew it in the American South. Well, to this son of the South, it sure looks the same.

The anti-black demonstrations, the jailings and beatings of African students, the reported used of electric cattle prods on the Africans by police — if all this brought to mind images of old-fashioned Southern racists, well, it just proves how ignorant you are.

A teacher from Western Europe explained that the real issue was the special privileges given foreigners studying in China. Another expert said the violence was triggered by generalized Chinese suspicion of outsiders and a desire never again to be humiliated by foreigners as they were by "Western imperialists" and the Japanese.

Others cited "cultural clashes" between the "puritanical" Chinese and the Africans, whose greater sexual freedom was viewed as a threat to Chinese order. Still others have seen the anti-African violence as just another manifestation of the Chinese animosity toward all outsiders — including native Chinese who are not members of the dominant Han group. All these things may be true.

But the fundamental fact is a deep-seated racism, no less virulent because the racists don't know they are racists.

— William Raspberry, Washington Post.

After the Paris Conference

None of [the] issues has moved a jot closer to resolution as a result of the Paris gathering. Quite the opposite. This meeting underlined the contrast between both nuclear and chemical haves and have-nots. To make things worse, a much-quoted CIA report has concluded that chemical weapons were probably decisive in at least one battle of the Gulf War. None of this helps to talk people out of making poison gas for their armies. Just in case the other fellow uses it first, you understand.

— The Economist (London).

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As the Soviets Fight On, American Silence

By A. M. Rosenthal

NEW YORK — And now let us take a look at one of the more interesting Soviet statements of the New Era. It is important in itself but mostly because Washington acts as if it had never been made and somehow will go away, which it won't. The statement:

"There is a serious danger that things may develop in such a way that the Soviet Union might not be able, within the nearest future, to do what we have in principle decided to do."

That was Yuli Vorontsov speaking, in Moscow. He is a deputy foreign minister, a talented troubleshooter who is now ambassador to Afghanistan.

That was his answer — and therefore Mikhail Gorbachev's — to a question about whether the Kremlin would fulfill its promise to get its troops out of Afghanistan by Feb. 15.

In November, Moscow postponed a scheduled partial withdrawal but vowed to keep the Feb. 15 deadline. Since then it has strengthened the firepower of its combat troops in Afghanistan. Most of the world does not know this; Afghans do.

Red Army planes have increased aerial bombardment and the sowing of mines that will make Afghan fields a hell for years to come. The Afghans are paying in blood for every month the Kremlin has allotted itself to withdraw its regular troops — nine months so far and still counting.

Now Mr. Vorontsov says the Feb. 15 withdrawal depends on whether the Afghan freedom fighters accept a cease-fire. They have rejected a cease-fire because they think it would allow the Afghan Communist government to dig deeper into their best strongholds.

Mr. Vorontsov says the pullout will also depend on whether the resistance agrees to a new Afghan government that would leave Moscow and its Communist allies in Kabul a substantial degree of political power.

Moscow has strengthened its firepower in Afghanistan and may not meet its withdrawal deadline. But Washington doesn't want to rock the boat.

Only the determinedly naive would be surprised by Mr. Vorontsov's statement. His job is to get the highest possible price for the Soviet Union in return for Mr. Gorbachev's objective of saving Soviet lives by removing troops.

The Afghan guerrillas may give in to the conditions under pressure from the United States and Pakistan. The burden of three million Afghan refugees driven from their homes by Soviet invaders is getting heavier and heavier for a staggering Pakistani economy.

The United States, whose military aid enables the guerrillas to survive, is eager to get on with other negotiations with Moscow. That would be difficult if the pullout is postponed.

If the Afghan resistance gives in, the Soviets will announce that the withdrawal will proceed. They will be heroes in the West. Little will be said about the fact that they carried out one of the more brutal invasions in recent history, leaving Afghanistan with a million dead, a quarter of its population abroad in refugee camps — and a civil war likely.

Even if Soviet troops withdraw, Moscow has no intention of surrendering its influence in Afghanistan. The Soviets have built a strong economic network connecting them with neighboring northern Afghanistan. Huge supplies of military equipment, including the latest MiGs and missiles, still go to the stockpiles of Afghan Communist forces. Detachments of KGB-trained soldiers from Soviet Central Asia are reported to have taken up positions as "border guards" on the Afghan side of the frontier.

For two centuries Moscow has fought for control of Afghanistan. It probably astonishes Mr. Gorbachev that the West dreamed he would abandon attempts to maintain as much power as he could in Afghanistan, with or without troops.

Washington is silent about this new threat. Who wants to rock the Soviet-American boat?

A few members of Congress, like Senator Gordon Humphrey, Republican of New Hampshire, will try to rouse Washington when the Bush administration takes over. Washington should insist that the Kremlin not prolong the war by postponing any withdrawal, setting new conditions or switching "border guards" for regular troops.

Warning: Some of the guerrilla groups are hard-line Khomeini-type fundamentalists who would turn against the West. The late President Mohammed Zia ul-Haq of Pakistan tried to gain control over them by channeling military aid their way; that simply made them stronger.

But other Afghan resistance groups have fought for a decade to create an independent Islamic government, non-Communist and non-fanatic.

The fundamentalists among the guerrillas will fight on for control of Afghanistan.

The Vorontsov statement simply showed that whatever happens Feb. 15, so will Moscow. The only surprise is the surprise — and the silence.

The New York Times.

Chemical Weapons: Cautious Talk Won't Clear the Air

By John G. Kester

WASHINGTON — Inconsistencies in U.S. chemical weapons policy lie exposed by the unhappy conjunction of Colonel Moammar Gadhafi's big new poison gas factory with Secretary of State George Shultz's cautious avoidance of specifics in his address to the just-ended Paris chemical weapons conference.

The United States almost had to beg just to get the 140 nations to reaffirm the 1925 Geneva Protocol — an agreement that does no more than renounce first use of chemical weapons, with no enforcement provisions. The conference closed with a call for a new agreement to ban the production and storage of such weapons and a declaration of support for United Nations investigations of suspected chemical weapons use.

Our U.S. delegation denounced Colonel Gadhafi from the sidelines but quickly backed away from any proposals for serious sanctions that might offend Third World countries or their First World suppliers. Indeed, Mr. Shultz declined in his speech to mention by name Libya or countries that in this decade have used chemical arms to kill thousands of people.

In Geneva, the United States continued its push for a new treaty to ban chemical weapons that pretends that every facility in the world that might produce chemical weapons can be checked as often as necessary.

But U.S. officials admit that no ban can ever be fully verifiable, particularly against vast closed societies like the Soviet Union, and that even an inspection of Colonel Gadhafi's "pharmaceutical plant" could not be relied on for more than 24 hours.

The central difficulty is that control of chemical arms is becoming as difficult internationally as handgun control is within the United States. For Third World countries, chemical weapons are an available, attractive investment, and will continue to be until real barriers are created and the penalties for doing so start to exceed the satisfactions. Three realities ought to shape American policy:

- Verification. Verification of chemical disarmament is far more difficult than for nuclear weapons. Chemical weapons (mustard gas and nerve gases) are low-tech, cheap to make and created by some of the same sorts of factories that turn common chemicals into pesticides, pharmaceuticals and fertilizers. Small quantities create an effective stockpile; a pinhead-size touch of nerve agent kills in minutes. And the chemical industry now is all over the world, not just in North America and Western Europe.
- Deterrence. Ease of production has upset the chemical standoff. For years, chemical weapons were in the hands of a few countries. Major powers did not use chemicals against each other in World War II (after Italy had done so against undefended Ethiopia and Japan against China). And Congress's approval of modernizing American chemical weapons in 1985 and 1986 quickly brought the Soviets to more serious bargaining in Geneva.

A U.S. capability helps deter Soviet use in a European war, but the fact that the United States has nerve gas adds little to the calculations of Iraq and Libya; if American forces were attacked by chemical weapons (or anything else) by small countries, the United States could respond overwhelmingly without resort to chemical ordnance. With the addition of such weapons, however, these countries' own forces become militarily far more significant and capable, particularly against undefended neighbors.

- Banality. The world's revulsion toward chemical warfare has been breaking down, and some of the blame lies in Washington. Three years ago a French official told me he worried that chemical warfare was becoming "banal." President Reagan's Chemical Warfare Review Commission in 1985 cited Iraq's chemical offensive against Iran and called for a strong response, "even at the expense of short-term economic or diplomatic interests."

No such thing occurred. Iraq stepped up its use of chemicals in 1987 and 1988, while Washington (and Europe) ignored the issue until gas was turned on the Kurds. For Iraq, the use of chemical weapons paid off handsomely: It kept it from losing the war.

Vietnam, which used such agents in Cambodia, paid no penalty, either; nor, of course, have the Soviets for experiments in Afghanistan. Such countries, whose scruples do not match America's, simply have no present reason to give up weapons that can serve them so effectively.

The Paris conference may send an unintended message: that the sensitivities of leaders who use chemical weapons will be gingerly respected, lest they decline to sign high-sounding declarations; and that their Western, Japanese and East European suppliers of equipment and raw materials are more interested in posturing than in giving up this mischievous market.

Some U.S. senators have been pressing the administration to do more. They advocate a greatly tightened export control program to block exports of equipment and ingredient chemicals to such destinations as Libya, Syria or Iraq's busy "State Establishment for Pesticide Production."

They have also asked the government to demand serious international sanctions against countries that wage chemical warfare. The lack of sanctions itself encourages proliferation of these weapons, for if small countries know that hostile neighbors can acquire or use them with impunity, their best deterrence is to acquire the same capability themselves.

The question is whether developed nations will cut off and punish trade in this form of death, and whether the acquisition of chemical weapons by irresponsible governments and their use by anyone will carry a real penalty — economic, political, perhaps military — even if enforcement injures Western short-term interests. What happens to the Libyan plant and others like it will tell far more about today's international "norms" than bland communiqués from any conference.

The writer, a lawyer, was a member of President Reagan's Chemical Warfare Review Commission. He contributed this to The New York Times.

The Merchants of Death Will Sell Whatever Sells

By Enrico Jacchia

ROME — There is a striking similarity between the methods used in the illegal traffic of nuclear materials and the strategy adopted by the unscrupulous companies that supply equipment, materials and know-how for the production of chemical weapons. It is important to identify these techniques and find ways to stop them.

The companies that helped build a chemical arms factory in Iraq and those that reputedly furnished Libya with equipment and know-how for its Rabta plant are only gradually becoming known: Some have been implicated by Washington or named in the press, others are under investigation by Bonn, many certainly are still unknown.

This is precisely the technique: to create confusion by working through a plurality of actors. The leading contracting firm keeps a low profile while other companies, acting as subcontractors, do the job. In Mafia style, they do not always know one another, nor do they want to.

The so-called Plumbat affair in the late 1960s, in which 200 tons of natural uranium was mysteriously diverted, is illuminating in this respect.

A West German firm, Asmara-Chemie, had bought the uranium from Union-Minière of Belgium, to be shipped to SAIGA, a Milan-based company. The declared use: "reprocessing for the petrochemical industry." The transaction was settled through a Zurich bank, and the transport was committed to an Italian shipping company. It was all perfectly legal: West German, Belgian, Italian and EC authorities had granted the required permissions.

The purchaser, Asmara-Chemie, had the material picked up at the Union-Minière depot in Hoboken, Belgium, loaded in Antwerp on a German ship, reflagged as Liberian, that was destined for Genoa. But the ship vanished after leaving Antwerp. It carried enough uranium to build several atomic bombs.

As EC director of nuclear safeguards at the time (1968), I discovered that SAIGA was a shadow company. When I went to West Germany to question the manager of Asmara-Chemie, German authorities had me accompanied by a

squad of heavily armed men. But Asmara-Chemie, which had paid an enormous amount of money to buy the uranium, was not a huge company. It was headquartered in a modest chalet in a forest near Wiesbaden.

The German and the Italian firms were all but nonexistent. Union-Minière, moreover, had sold the material quite legally. The transaction had been authorized by top authorities of three countries. Nobody could be indicted. The loopholes in national legislation were immense.

In the ambiguous trade of sensitive chemical equipment and materials, we face the same techniques and plurality of actors. Many are suspected, yet none can be indicted. The real motivation is not political — Israel was reputedly the final destination of the Plumbat uranium — the real motivation is the huge profits to be realized.

An international treaty banning chemical weapons remains a distant goal. Meanwhile, the imperative need is strict cooperation among suppliers — the industrial countries — to stop the merchants of chemical death.

International Herald Tribune.

Morality in the Name of Public Health

By Charles Krauthammer

WASHINGTON — In July 1987, the Reagan White House tried to restart the flagging war on abortion with an order to Surgeon General C. Everett Koop to issue a report on the physical and psychological effects of abortion. "In the minds of some of [your advisers]," Dr. Koop wrote the president this week, "it was a foregone conclusion that the negative health effects of abortion on women were ... overwhelming."

Dr. Koop then proceeded to demolish the foregone conclusion. He reported that science had nothing to say one way or another on the matter. In fact, you do not have to be the surgeon general to know that an anti-abortion campaign based on the health risk of abortion is absurd: A full-term pregnancy and delivery is far riskier to the mother.

Yet, at the time, a White House adviser said that of all the anti-abortion initiatives, "the most important may end up being Koop's study." Why? Because "we need to change people's hearts about abortion, to explain why it is a bad thing ... "

A bad thing? If abortion is bad (as I believe it is), it is bad because of what it does to the fetus not to the mother. Yet here were ardent conservatives trying to advance the anti-abortion cause by arguing not that abortion is wrong, but that it is poor hygiene. What were they doing? Just what everyone does these days when trying to preach virtue.

It has become increasingly hard, almost archaic, to argue that certain behaviors are morally wrong. The way to persuade people to stop doing something is to tell them it is bad for their bodies.

The paradigm for this kind of argument is AIDS and promiscuity. For two decades it was impossible, and seemed quite retrograde, to say that there was anything intrinsically, morally, wrong with immoderate sex. Now, thanks to AIDS, one simply has to say that immoderate sex can kill. Governments have joined the argument with relish.

How to tell kids to just say no to drugs? Put a baseball star on television and have him talk about the terrible things drugs do to you (like fry your brain). How else to argue? You have to use health language; there is no other way. Tell kids not to toke up because it's "wrong" and you get laughed out of school.

For a culture that has lost its moral vocabulary, the appeal to health as a reason for doing right is enormously attractive. In fact, it is all there is — which is why I am not against it. But it isn't much.

It does explain much, however. It explains why society is being overwhelmed by an epidemic of socially calamitous, readily avoidable and formerly "immoral" behaviors. The sad fact is that appeal to self-interest alone is a very unsure means of encouraging self-restraint.

It is often no match for hormones, for example. Take unwed motherhood. In the past it was shameful to be pregnant without being married and the shame acted as a great deterrent. It stands to reason. You are a teen-ager. You are in the back seat of a Chevy and things are getting interesting. What is more likely to make you say no: a calculation of lost earnings caused by an unwanted pregnancy, or the booming voice of your superego — Dad, Mom, God — just saying no? Or both?

Of course, the superego sanction was never infallible. But it sure beat mere cost-benefit analysis as a reason for being good. Look at the numbers. Forty years ago, less than 4 percent of births were illegitimate. Today, 23 percent are.

By my calculation, that makes today's sanctions about one-sixth as persuasive as yesterday's. But they're all we've got.

Washington Post Writers Group.

Let's Forget All the Jokes About 'Rosy'

By Joseph R. Wright Jr. and Beryl Sprinkel

WASHINGTON — Everyone knows that the Reagan administration's economic forecasts are always too optimistic, and this year is no exception, the pundits assure us. Real growth in 1989 of 3.5 percent? Inflation at only 3.7 percent? Go on, they scoff. But before "everyone" rejects our forecast, they might consider our actual forecasting record. It is not perfect, but it's not bad, either. In fact, it is about as good on average as most others.

The administration's forecast serves as a basis for developing the president's budget and economic program for the next fiscal year. The key economic variables for the budget are the rate of real economic growth, the rate of inflation, the unemployment rate and short-term interest rates.

Contrary to the popular view, the administration's budget forecasts for the year ahead have been too pessimistic. On average for the years 1981 through 1988, real growth, at 2.3 percent, has exceeded our forecast of 2.1 percent. Inflation and unemployment, at 4.5 percent and 7.5 percent, were lower than the 5.2 percent and 7.8 percent we projected. Only the forecast for average short-term interest rates, at 8.2 percent, has proved more optimistic than the actual 8.6 percent.

Our record is similar to that of other forecasters, including the Congressional Budget Office (average real growth of 2.6 percent, inflation rate of 5.1 percent, unemployment rate of 7.7 percent and short-term interest rates of 8.4 percent) and the Blue Chip consensus of 50 private forecasters (2.5 percent, 5.2 percent, 7.8 percent and 8.2 percent). All three have made the same mistakes, in the same direction. The average errors by all three have fallen within 0.2 percentage points for each variable.

The further into the future you try to forecast, the more forecasting errors increase. Since 1981, the administration has been more accurate than the Congressional Budget Office and the Blue Chip panel in predicting inflation and short-term interest rates for the second year. We have been somewhat less accurate in projecting real growth for the second year. All three forecasters have been too optimistic about real growth, too pessimistic about inflation. The administration's average error on short-term interest rates is zero; the other two forecasts have been too high on average by a percentage point or more.

Why is the administration's record so regularly and roundly condemned? Mainly because, in preparing its first economic forecast, the administration failed to foresee the 1981-1982 recession. In March 1981, the administration predicted 4.2 percent real growth for 1982; in fact, real growth dropped by 2.5 percent.

That is obviously a big error, but it was not unique. Almost without exception, other forecasters in early 1981 expected 1982 to be a year of economic growth; after all, the country had just weathered the 1980 recession and the first results for 1981 looked promising. The CBO and the Blue Chip panel foresaw real growth in 1982 of 2.9 and 3.6 percent, respectively.

Our bad reputation stems also from the long-term economic projections the administration includes, as required by law, in each year's budget. Recently, our projections for the next five years have been higher than those issued by private forecasters. The bulk of the difference is traceable to differing assumptions about productivity growth. The administration assumes that nonfarm productivity growth has returned to its postwar average of about 2 percent a year. Others are more pessimistic.

No one can be very certain, but the performance of the economy suggests that the administration numbers may be correct. Since we have gotten rid of the distorting effects of inflation and stop-go economic policies, nonfarm productivity has risen at a 1.7 percent annual rate during this expansion, nearly twice the rate during the 1975-1979 expansion.

Economic forecasting is an inexact science; nobody has a monopoly on accuracy or a monopoly on error either. We certainly don't deserve our bad reputation. As this administration draws to a close, let us drop the jokes about that famed seductress, "Rosy Scenarios," and give the poor lady a decent burial.

Mr. Wright is director of the Office of Management and Budget. Mr. Sprinkel is chairman of the Council of Economic Advisers. They contributed this comment to The New York Times.

100, 75 AND 50 YEARS AGO

1889: Stanley Is Safe

LONDON — The *Daily Chronicle* says: "With reference to the telegram that Mr. Stevens, who rode through Europe and Asia on a bicycle, has started to 'find Stanley,' we may say that Mr. Stevens is now in London, and that the Government has information of Stanley's safety. Long before Mr. Stevens can reach the east coast of Africa, recent letters from Mr. Stanley will be published in London. There are, meanwhile, certain reasons why the exact whereabouts of the famous traveler should not be made public."

1914: Kago Shima Razed

NAGASAKI — The naval authorities have arrived at Kago Shima. The commander reports that the eruptions still continue violently, and that the island of Sakura Shima is a mass of smoke and flames. Reports state that the city of Kago Shima is practically destroyed. Wide and long earthquake faults are running in all directions, and earthquakes and eruptions were reported from all parts of Kiushiu.

1939: Hungary Joins Pact

BERLIN — Berlin newspapers today [Jan. 14] said Hungary's announcement that it would officially join the Rome-Berlin-Tokio "anti-Comintern" pact would prove a setback to "Moscow's aspirations." Gleeful at the new evidence that Budapest was trailing more strongly in the wake of Nazi foreign policy, the papers said the action was merely in line with the Hungarian policy of anti-Communism since 1919. The "Diplomatisch Politische Korrespondenz" said: "The misery in Spain, where the people are bleeding themselves white in a war incited by the Comintern and where order and happiness can return only after a complete Franco victory, Moscow's influence over China, the fate of Czecho-Slovakia, and the baneful influence of Moscow's friends in the United States show the greatness of the danger to the world."

A Stalwart White 'Rhody' Comes Out of the Bush to Accept Black Majority Rule

By Jane Perlez
New York Times Service

HARARE, Zimbabwe — When Bruce Moore-King was fighting for the Rhodesian Army more than a decade ago, he thought the war was a brave and noble affair.

He was a stalwart white Rhody who went into the bush to wage an ultimately unsuccessful campaign to stave off black majority rule.

A decade later, former Sergeant Moore-King, who retains the rugged bearing of a Rhody but now thinks differently, has written a brutal and unforgiving book about how white parents dispatched their sons to an immoral cause.

"White Man, Black War," put out by a new publishing house here that fosters an array of Zimbabwean literary talent, is all the more powerful for its style.

Written in impressionistic fashion, somewhat in the manner of Michael Herr's savage account of the Vietnam War, "Dispatches," the book propels the reader into wrenching descriptions of the wanton slaughter of villagers, torture and murder by the Rhodesian government forces.

Alongside the scenes of war, Mr. Moore-King has woven a scathing indictment of the "Elders," the white ruling class and their prime minister, Ian Smith, depicted in the book as the "High Priest."

"These Elders valued the comfort of their life-styles beyond the lives of their own children, beyond the lives of any children," Mr. Moore-King writes. "It was greed that sent us to war."

Raymond Bonner/The New York Times
Bruce Moore-King, author of 'White Man, Black War.'

Just as grievous, he writes, the Elders never ventured to the war themselves. They never came closer, he writes sarcastically, than "reading the daily obituary column as they stood, warm and safe, at some roadblock 10 minutes from their homes, comfortable in their blue overalls and shapeless hats." The reference is to police reserve duty by older men.

The slim volume — 133 pages — has created a stir here because it says things that have not been said publicly by white Rhodesians who fought or lived through the bitter war, which ended in the country's transition to black rule as Zimbabwe in 1980.

The war books written by whites have glorified the conflict and never questioned its premise. Mr. Smith, who still lives in the country as a farmer, has dismissed the account.

Now a manager in an insurance company in Harare, Mr. Moore-King said the book, his first attempt at writing, was born out of the anger he felt when he returned in 1985 after a seven-year absence.

What he found, he said, were mostly ungrateful whites who continued to harp about black rule and who failed to appreciate that they were actually doing better than they ever had.

"The whites are better off," said Mr. Moore-King of the approximately 80,000 whites who have stayed in Zimbabwe out of the 250,000 in the mid-1960s and early 1970s.

"There is peace, so they should be jumping up and down that they don't have to send their children to war. The shortages are less than during the war and no one is being discriminated against. People can get on with their lives."

He was further infuriated to find that in his old haunts the mood toward blacks had not modified. "They don't use the word 'kaffir' anymore but the attitude is the same," he said, using the Afrikaner term that is comparable to "nigger."

Mr. Moore-King, along with four other soldiers, was asked to leave Zimbabwe in 1978 after a news agency report cited allegations that a unit under his command had mistreated prisoners.

He said that while some of the account was correct, other parts were exaggerated. But because of the embarrassment caused by the article, the Smith government asked the soldiers to leave the country, he said.

He went to England convinced of the need for a white Rhodesia. He clung to his beliefs so defiantly that he was barred from a London pub because of the fights that ensued when he argued that Rhodesia was not a racist society.

In the early 1980s, he moved to South Africa, where for the first time he worked with blacks and the realization that he might be wrong suddenly surfaced. A fuller conversion came at Beitbridge, the border crossing between South Africa and Zimbabwe, when he stepped back into his homeland.

"It was the friendliness of the greeting," Mr. Moore-King said of his reception by a black Zimbabwean immigration official. "He stamped my passport and said, 'Welcome back to Zimbabwe.' It was the sincerity of: Forget the war and let's get on with life."

The contrast of the greeting with the sullenness of the whites he met propelled him to start a letter to the editor of the Harare newspaper. The 40-page letter — never sent — became a book.

Mr. Moore-King took part in or witnessed many of the war incidents in the book. "It was very important for it to be truthful so it could be checked out," he said. "What happened was far worse than I wrote."

Despite the author's bleak outlook — bleaker than those of the liberal whites — the publisher's party to celebrate the book featured a dialogue that would never have happened in the old Rhodesia.

Emmerson Munangagwa, Zimbabwe's minister of justice, who was head of security for the black guerrilla force that opposed Mr. Moore-King and the rest of the Rhodesian Army, spoke alongside the author.

Mr. Munangagwa said "White Man, Black War" illustrated that Zimbabwe had progressed "to a point where we can say these things to each other in a spirit of openness and frankness."

Computer Bug Strikes Britain On Friday 13th

Reuters

LONDON — A contagious software virus affected hundreds of personal computers in offices and homes on Friday the 13th, destroying information and reproducing itself like bacteria.

Telephone lines to a data recovery center were jammed all day with calls for help. Alan Solomon, chairman of IBM's PC users' group, said, "The important thing is not to panic and try to delete everything to remove the virus, as that can do untold damage."

No one knows who created the virus, which attacks only PCs made by IBM and compatible machines, a worldwide network.

The virus is always active, sometimes slowing down computer systems to a quarter of their normal speed. But for Friday the 13th, the bug was programmed to create 1,813 useless bytes, or characters, and thereby destroy data.

PLANT: *Bonn Had Warning*

(Continued from page 1)

ligence service report. But Mr. Schreckenberger insisted that he had taken all necessary measures.

Officials also said Mr. Genscher "exploded" at a cabinet meeting on Tuesday over the chancellery's mishandling of the affair.

Mr. Genscher had been cautious not to publicly express displeasure over the U.S. allegations. He was said to be particularly distraught over the damage that the image of Germans as unprincipled exporters had done to his foreign policy.

A spokesman for Mr. Genscher acknowledged that the Foreign Ministry had received a copy of the October intelligence report and that Mr. Genscher had seen it in preparation for the meeting with Mr. Reagan on Nov. 15. The spokesman said the Foreign Ministry had assumed investigations were underway.

The spokesman for the prosecutor's office in Offenburg said the proceeding opened Monday was preliminary to filing formal charges.

■ How U.S. Got Evidence

U.S. intelligence agencies obtained evidence that Libya had a poison gas plant by eavesdropping on frantic Libyan telephone calls to West German companies after a spill during a poison gas production test run in August, Reuters reported from Washington.

Reuters said that NBC television reported that U.S. intelligence agencies became certain 18 months ago that Libya was about to produce poison gas. It said it learned that Libya had obtained thionyl chloride, tributylamine and chlorobenzene, which NBC identified as chemicals that can produce poison gas when mixed with other chemicals already that Libya has.

NBC quoted unidentified sources as saying that U.S. intelligence agencies obtained evidence in August by tapping Libyan telephone calls to West German companies asking for a clean-up crew after a spill of poison gas.

NBC said one of the companies called was Imhausen-Chemie, whose consultants and engineers had constructed the interior of what the network called a poison gas plant. "This left no doubt that the West Germans knew they were building a poison gas facility," it said.

SURVIVE: *Doubts in Moscow*

(Continued from page 1)

we are so far unable to confirm with full certainty the authenticity of the reports by our Armenian colleagues about the 'Leninakan miracle,' nor can we categorically deny it."

It was a report in the central government newspaper, Izvestia, that first cast doubt on the accounts Friday afternoon, saying officials in Armenia had been unable to find the five other people mentioned by Mr. Akopyan.

An official of the government press center at Yerevan, Ruben A. Karagezyan, said Friday that the rescue of six persons had not been reported to the emergency headquarters at Leninakan either Wednesday or Thursday.

This is an emotional and often superstitious country, shaken and saddened by the loss of nearly 25,000 people in the earthquake. That is the official count, but in Armenia, almost everybody one meets says, without any evidence for the claim, that many more people than that must have died, and that some survivors must still be waiting for rescue under the rubble.

OPERA: *Tumult in Paris*

(Continued from page 1)

ater that is meant to appeal to a wide public, and which he thought was not planning enough performances to make proper use of the building.

In a press conference Friday at the Palais Garnier, the home since 1875 of the Paris Opéra, Mr. Bergé said that a "serious study" had been made of the contract signed by Mr. Barenboim, and "it seemed to us that the document was not valid," particularly regarding artistic powers it granted.

Mr. Bergé said he had made Mr. Barenboim a new financial offer which, with salary and conducting fees, would have guaranteed him 4 million francs (about $645,000) annually. Mr. Bergé described this as about half the remuneration set by the earlier contract.

Regarding artistic powers, Mr. Bergé said he had proposed either that Mr. Barenboim keep the artistic direction and limit his contract to two years while being present in Paris more than the four months set by the earlier contract, or take a four-year contract as musical director only and work with the new director of the Opéra Bastille, René Gonzalez, in artistic planning.

Mr. Bergé said that Mr. Barenboim refused these proposals. Later, Mr. Barenboim said in a radio interview that he considered his earlier contract valid and that he intended to take legal action.

Mr. Bergé said Friday he had spent hours on the phone trying to persuade Mr. Barenboim to rethink his position, "but a final decision had to made because we were on the wrong track."

Mr. Barenboim's is only the latest of several departures. Pierre Vozlinsky, administrative director of the Orchestre de Paris, who was named general director of the Opéra Bastille in tandem with Mr. Barenboim, quit or was dropped last May after working nine months without a contract. Raymond Soubie, former president of the administrative council of the Opéra and the Bastille project, resigned in November, two months after Mr. Bergé's appointment.

Mr. Bergé also has named Rudolf Nureyev to be artistic director of the Palais Garnier, effectively ousting Jean-Albert Cartier, who had been named under the conservative government. The Palais Garnier is to continue as the home of the Paris Opéra Ballet after the Opéra Bastille opens.

Mr. Bergé said earlier that the new house would be formally opened with a gala on July 13, the eve of the 200th anniversary of the beginning of the French Revolution.

Michael Forrestal, 61, Diplomat-Lawyer, Dies

By Glenn Fowler
New York Times Service

NEW YORK — Michael V. Forrestal, 61, an international lawyer and former government official who frequently served as an intermediary in relations between the United States and the Soviet Union, died of a ruptured aneurysm Wednesday in New York.

Mr. Forrestal, a longtime patron of the Metropolitan Opera, was stricken while attending a meeting of the committee searching for a director to succeed Bruce Crawford, who will leave the post this year.

At his death, Mr. Forrestal was a senior partner of the Manhattan law firm of Shearman & Sterling.

For many years, Mr. Forrestal, who was a son of James V. Forrestal, the first U.S. secretary of defense, acted in a quiet way to increase friendly contacts between the superpowers.

From 1978 to 1980 he was president of the U.S.-U.S.S.R. Trade and Economic Council. His interest in foreign affairs, and in the Soviet Union in particular, dated from his naval service. He received a commission in 1946, at the age of 18, and was appointed an assistant naval attaché in Moscow under Ambassador W. Averill Harriman.

He also served as secretary to the Quadripartite Naval Directorate of the Allied Control Council in Berlin and to the Tripartite Naval Commission, also in Berlin.

From 1962 until 1965, while a member of the senior staff of the National Security Council under McGeorge Bundy, he was President Kennedy's adviser on national security.

Born in New York, he graduated from Phillips Exeter Academy. He attended Princeton before earning his law degree from Harvard.

■ *Other deaths:*

Peter Nichols, 60, for 30 years the Rome correspondent of the *London Times* and the best-known foreign journalist in Italy, of a stroke in Bracciano on Wednesday.

Bill Terry, 90, the baseball Hall of Famer who was the last player to bat .400 in the National League, Monday in Jacksonville, Florida. Mr. Terry was the first baseman and manager for the New York Giants.

José Luis Bustamante, 93, the former president of Peru, credited with pioneering the 320-kilometer (200-mile) limit at sea, Wednesday.

Nikos Psacharopoulos, 60, longtime director of the Williamstown Theater Festival in Massachusetts, one of the nation's leading summer theaters, Thursday of cancer while vacationing in the Virgin Islands.

Valentin P. Glushko, 80, a key figure in the development of many Soviet space ventures, Tuesday after a serious illness, Pravda reported Friday. He helped develop liquid fuel engines, now used on all Soviet rockets.

FLIER: *Body Returned*

(Continued from page 1)

rorism by Colonel Moammar Gadhafi, the Libyan leader.

Libya said afterward that the wreckage indicated the F-111 had been shot down by its anti-aircraft defenses, but the United States has not confirmed this. It said only that the two-man crew was killed in action.

The unusual return of the fallen air officer may technically have had nothing to do with the buildup of tensions that has followed the American downing of two Libyan fighter planes last week and the controversy over the U.S. assertion that Libya is building a plant capable of manufacturing chemical weapons.

SHAMIR: *Support for Talks*

(Continued from page 1)

however, said Mr. Shamir's remarks were a significant departure from the past. They attributed the change to several factors, especially the recent U.S. decision to open a dialogue with the Palestine Liberation Organization and the mounting international pressure on Israel to offer concessions to get peace talks started.

They said Mr. Shamir also hoped to mobilize renewed support from U.S. Jewish officials, who have stunned Israel by generally reacting passively to the U.S. move.

A political scientist at Hebrew University, Eytan Gilboa, said Mr. Shamir's main concern at the moment was to ease pressure on Israel to enter talks with the PLO and also to counter the image that the PLO was ready to talk peace while Israel is intransigent.

By showing flexibility on the venue and ground rules for talks, Mr. Gilboa said, Mr. Shamir hopes to maintain his insistence that any negotiations be with King Hussein of Jordan and unaffiliated Palestinians from the occupied West Bank and Gaza Strip, rather than with the PLO.

A senior Israeli official said domestic politics also played a major role in the shift. Before November, he said, Mr. Shamir was trapped in an equal governing partnership with the more dovish Mr. Peres, which limited the prime minister's options.

"Shamir was in the position of always having to look over his shoulder to see what Peres was up to," the official said. "And he knew that anything he offered in concessions, Peres would then come and offer twice as much. He doesn't have that problem anymore."

Mr. Shamir made it clear in the interview Friday that he still had no intention of holding talks with the PLO.

8 Die in Alpine Cable Plunge

United Press International

GRENOBLE, France — Eight persons were killed Friday when their cable car at an Alpine skiing resort snapped off its line and plunged more than 330 feet (100 meters) into a ravine. The accident happened near the resort of Vaujany, southeast of Grenoble.

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INTERNATIONAL EDUCATION DIRECTORY

SPOTLIGHT

Horst Hamischfeger, Secretary General of the Goethe-Institut, which promotes German culture and language abroad, talks about the growing interest in German:

Is the interest in German culture and language growing in foreign countries?
We have noted a growing interest worldwide. It varies from region to region. Outside Europe the interest is particularly strong in Brazil, Argentina and China. In Europe the demand for German culture has also intensified in anticipation of the European Common Market. People want to prepare themselves for European integration.

Which countries have you been focusing on in recent times?
Of the 150 Goethe-Institutes outside Germany, 47 are in Europe. We are currently negotiating with the Warsaw Pact countries about setting up new institutes there. In 1988 we established new cultural centers in Budapest and Peking. We also signed an agreement with Bulgaria on cultural exchange.

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ARTS / LEISURE

A Palette of New Colors and Textures

By Suzy Menkes
International Herald Tribune

MILAN — Display in Italy is an art form. In shop windows, the new season's *marrons glacés* are heaped in baskets, iced in spring colors, decorated with sugar violets and primroses.

Mahogany brown shoes gleam against beds of pheasant feathers. Even construction in Milan's La Scala square is covered by a painted canvas of the facade.

MILAN MENSWEAR

The same artistic energy goes into the menswear displays. Pale tweeds are coaxed round Rococo pillars, patterned knits are folded into palettes of color, and sweater arms clutch at twisted metal sculptures. All are part of a two-hour temporary exhibit to woo buyers and press.

The textures, the subtle colors, the innovatory techniques and novelty finishes of Italian fabrics are the real story in menswear. Even a scottish nanny would not serve up as much oatmeal and porridge as we have seen this week in tweed. There is a soft and sensuous touch to velvets, velour and cord; to brushed finishes on herringbone wool and to basket-weave deep pile cashmere.

The line has shifted, with the focus on high-button jackets and vests. The sharp Italian suit has lost its cutting edge, its rounded shoulders drawn with a compass rather than a set square.

Giorgio Armani had all that — and more in a perfectly realized collection: plush velvet suits in thin blues and grays drawn from air and water; suede or knit vests in sprouting spring shades of yellow and leaf green. Window pane check tweeds came in earthy brown and muddy beige. Each outfit was shown in an easy way, hands in pockets, as though jackets were cardigans and coats were bathrobes. Bowlers and schoolboy caps gave the show a quirky charm.

Armani mixed together his main line collection and Emporio — some of which was relentlessly sporty with its shorts, trapper jackets and parkas. But this designer's taste never falters, and the hippie-revival touches — paisley patterns and fake fur trimmings — were done with dash.

Valentino's collection was shown on models posing in a still-life tableau. The theme was the mountains, with the colors pale taupes and sheepskin beige, vests waist-length and jackets thick and warm.

There is a soft and sensuous touch to velvets, velour and cord; to brushed finishes on herringbone wool and to basket-weave deep pile cashmere.

Walking boots and earflap hats added a luxurious, sporty touch.

Cross-stitch embroidery in Tyrolean red and green or ethnic motifs on chunky sweaters suggest that Gianfranco Ferré was off to far-flung places. The problem was that the collection itself was flung about, the outfits hanging from racks and looking, after the first 10 minutes, like a store on sale.

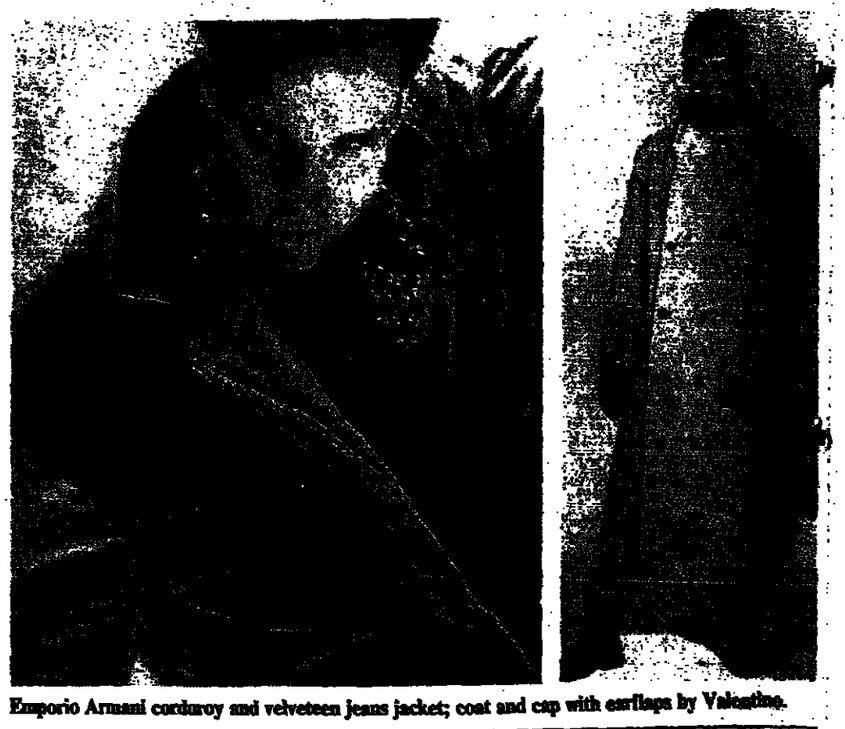
In the confusion, paisley-patterned velvet and wool evening jackets had a baroque richness. Jacquard sweaters woven in relief and quilting on gray flannel both had a sensual feel.

The palazzo which houses the Basile collection is such a glorious riot of Renaissance and Rococo that the clothes did well to stand out among the frescoes. Here the textures and colors seemed to reflect the Italian landscape, with a burnt siena scarf tossed over umber tweeds and terra-cotta stripes woven into a shirt under a cashmere jacket the silver gray of an olive grove. Velvety finishes to the fabrics and the discreet colors and shapes made a fine collection.

Other still-life displays were Missoni's stained glass window knits shown against marble-painted pillars; Maurizio Baldassari's high-buttoned tweed jackets and decorative vests; russet tweeds for all reasons and seasons from Laura Biagiotti, whose mannequins were posed for golf, snooker and over their computers. The rusted exhausts of juggernaut lorries made surreal metal trees on which to display Bogey's rust red tweeds, cords and the inevitable vests.

Although Italy has softened up the macho man image, Romeo Gigli is the designer with a fundamentally different point of view. His jackets have drape shoulders, his coats are knee-length and raglan-sleeved, his accessories are the genuine ethic article: vests and scarves in ikat weave fabrics.

Fujiwara also expresses a point of view — one that is familiar from Japanese designers who are disciples of Yohji Yamamoto. Sailor-tie collars and marelot sweaters in gun-metal grays looked familiar. But there were fresh ideas including waist cummerbunds with vest points and pants using the striped fabric of old-fogey's formal trousers.



Emporio Armani corduroy and velveteen jeans jacket; coat and cap with earflaps by Valentino.

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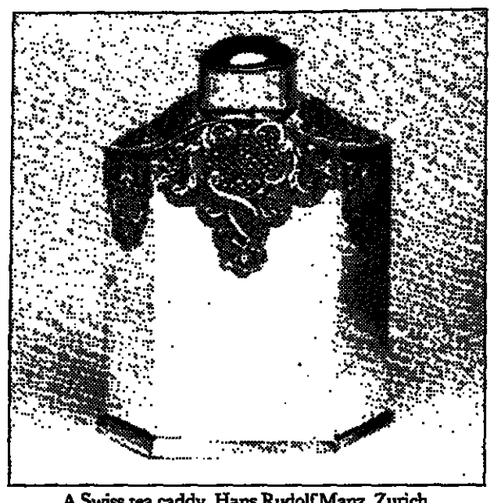

A Swiss tea caddy, Hans Rudolf Manz, Zurich, circa 1740. Sold in Geneva, November 1988 for SF 13,200.

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Britain's Curious Attitude Toward 'Modern' Art

International Herald Tribune

LONDON — Some art exhibitions say more about the deeper inclinations of a nation than volumes of cultural and social analysis. "Monet to Freud," on view through Jan. 25 at Sotheby's, which lent its premises for the occasion to the National Art-Collections Fund, is the most brilliant if unwitting commentary on Britain's half-hearted acceptance of modern art.

SOUREN MELIKIAN

The 178 paintings, drawings, prints and even pieces of furniture in the show consist of "works of art from 1870 to the present day acquired for the nation with the assistance" of the NACF — a private body of art supporters contrary to what its name would suggest.

A few of them are wonderful and barely known even to professionals other than through small plates in art books. One of the most beautifully composed landscapes by Alfred Sisley comes from the Leeds City Art Gallery. Bushes gently slope down toward the sweeping curve of a river. On the opposite bank, golden poplars are reflected in the rippling waters under a cloudy sky brightening faintly in the distance. It is as poetically nostalgic as a Constable and is the most English Sisley to be seen — although of English parentage, the artist, born and brought up in Paris where he became a founding father of Impressionism, is utterly French. The work is, in short, a bit of a freak, if an admirable one.

So is one of the most astonishing Eugène Boudin paintings, "The Beach at Trouville," which is the closest that French fellow travelers of Impressionism ever got to Richard Bonington's manner. With its straight low horizon, its thunderous sky and its tiny sketchy figures, quite unlike the elegantly clad ladies complete with umbrellas often seen in his Trouville views, it is the sort of picture that would catch the eye of a collector looking for the unusual masterpiece. Sure enough, it was given in 1910 to the National Gallery via the NACF — a guarantee that the work will not be resold in the future — by T.W. Bacon who collected passionately for nearly five decades.

Philip Wilson Steer's "The Music Room," now part of Tate Gallery collection.

At this point one is reminded that Britain virtually skipped Impressionism. The work of Philip Wilson Steer, who shares with Walter Richard Sickert the distinction of having tried to establish an Impressionist movement within the "New English Art Club" founded in 1887, proves that, whatever their desire to get close to it, the English went a different way.

"The Music Room," which was completed by Steer in 1906, and bought for £800 in 1912 to be given to the "National Gallery, British Art, Millbank" — now the Tate — is done in broad brushstrokes but otherwise deviates from the French movement in every respect. The artist carefully painted the same woman twice, once standing, her head turned to the viewer but looking down, and the second time seated on a stool, wistfully plucking a lute. She is dressed in very grand attire. The shadow of the standing woman projected on a wall by the light coming in from an invisible source is a 17th-century idea. With its English concern for formal elegance and its quietly Romantic atmosphere, it is miles away from Renoir and the rest.

This illustrates the better side of the English misapprehension of Impressionism, so to speak. A less inspired aspect lies in second-rate works that always call to mind someone else's ideas. Sickert's "The Belgian Cocottes" was done a bit too obviously under Vuillard's influence. Spencer Gore's "Spring in North London" combines the kind of perspective from a high viewpoint devised by Emile Bernard around 1890 with a Pont-Aven school palette — more than 20 years after Gauguin and others invented it. The NACF helped regional museums to buy them, the Sickert in 1973 for £7,300, the Gore 10 years later for £13,500. As witnesses to English trends, they may have been necessary, even if neither was cheap at the time. As evidence of a brilliant record in modern-art buying, they are less convincing.

There is even less justification for boasting about some of the French Impressionist work included in the show. A poor sense of choice appears to have afflicted the buying policy of what was then modern art from early on. Monet's portrait of a woman seated in a garden shoddily painted like some spoof of Manet was bought by the NACF in 1926 from the Galerie Durand-Ruel, the treasure house of Impressionism, when all one had to do was to pick and choose.

The pictures bought later are sometimes pleasing and interesting, like Renoir's posthumous portrait of his friend Wilhelm Muhlfeld, bought for £12,500 in 1964 by the Southampton City Art Gallery — the NACF contributing £2,500 — but not great. They hardly qualify as "Modern Masters" anyway. Among the works bought, not bequeathed or donated, hardly any would find their way into a Sotheby's auction catalogue carrying that title. The only presentable piece on the international scene would be a fine Gino Severini, although not the greatest — it lacks the movement that is the distinctive mark of Futurist art versus its Cubist source. Even that was acquired a long time ago by the Tate Gallery, which got a £5,000 contribution in 1968. There is no trace of the French Fauves, of the first blossoming of Cubism in 1911-1913, of Abstractionism, early or late, of the great Expressionists. The contrast with the NACF's often brilliant record in helping with earlier art forms is striking. The blame rests not with the NACF but with those who sought its help in their purchases. They went after the peripheral and, with few exceptions, the second rate. They got their priorities wrong, a fact neatly symbolized by Monet's landscape of which a detail adorns the catalogue jacket while the complete picture appears inside — both in mirror reverse, alas pore Yorick.

Awareness of it undoubtedly prompted the NACF to launch its "Modern Art Fund" on Monday, using, with unintended irony, the exhibition as a platform. After heeding the words of Sir Nicholas Goodison, chairman of NACF, one is left to wonder about its precise intentions: "The definition of modern art cannot be exact. It is not the intention to buy 'le dernier cri' by the latest artist to attract public notice, but to assist the acquisition of works by artists with a good track record, preferably before their prices have hit the dizzy heights of some modern stars."

Aside from the confusion between Contemporary Art — the work of living artists — and Modern Art — understood on the art market as the work of 20th-century masters excluding Impressionism — this appears to point the finger in the direction of contemporary artists who have been around long enough to have a "track record," but have failed to arouse the enthusiasm that pushes up prices. The future will tell whether this is a good recipe for attracting works of our age worthy of British institutions otherwise brimming over with the most wonderful art of almost any other period.

To raise an endowment for the Modern Art Fund, the NACF set up a Development Board chaired by Idris Pearce, a real estate developer. The businessman is a collector and a realist. He hopes to raise £3 million in two to three years, which would then generate a yearly income of perhaps £300,000. The Modern Art Fund to be will be somewhat of a financial dwarf, unlikely to have a dramatic impact on the art scene. However, it provided an opportunity for celebrating big business sponsorship. They refrained from using the words "museum privatization," but only just. An English writer coined a title for this kind of bustling activity, "Much Ado About Nothing." It is still a favorite in the United Kingdom. They must be splitting their sides at Sotheby's.

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At 50, ABT Dances Around the World

By Jennifer Dunning
New York Times Service

NEW YORK — American Ballet Theatre plans to celebrate its 50th anniversary with extended U.S. States and international tours, a retrospective of the company's repertory, a "Dance in America" program for public television, and a touring exhibition of Ballet Theatre memorabilia.

The company's 50th-anniversary gala, to be held at the Metropolitan Opera House on Jan. 14, 1990, will offer a look at works by choreographers closely associated with the company during its 50-year history — including Antony Tudor, Sir Frederick Ashton, George Balanchine, Agnes de Mille and Jerome Robbins.

The company, originally called Ballet Theatre, was founded in 1939 by Lucia Chase and Richard Pleasant, who envisioned it as a company comparable with European ballet troupes in size and scale of productions. The company was to be headed by international ballet stars, with a repertory including ballet classics as well as contemporary works by European and American choreographers. An outgrowth of the Mordkin Ballet, a New York-based troupe in which Chase danced, the company gave its first performance on Jan. 11, 1940, at New York's Center Theatre.

As part of the anniversary celebration, Ballet Theatre is presenting a new production of "Swan Lake" staged by Mikhail Baryshnikov, the company's artistic director, after the original choreography by Marius Petipa and Lev Ivanov. Scenery and costumes are by Pier-Luigi Samaritani, and lighting is by Jennifer Tipton.

A collection of works by Twyla Tharp, the artistic associate of Ballet Theatre, will be included in the anniversary repertory.

The expanded national touring schedule this fall will include performances in Minneapolis, St. Louis and Houston, underwritten by the National Endowment for the Arts. Other cities on the tour are Costa Mesa, California, Miami Beach, Chicago, San Francisco, Los Angeles, San Diego, Washington and New York, where Ballet Theatre will play at the Met from May 8 to July 1.

Ballet Theatre will also tour Japan in August and will perform in London, Paris, Madrid and Barcelona in September and October 1990. The company is also scheduled, with the Martha Graham Dance Company, to perform in the Soviet Union as part of Sarah Caldwell's Making Music Together festival, in late November and December of this year.

Dance in America will present a program on the works of Tudor, long associated with Ballet Theatre, to be taped in Denmark in July.

The Smithsonian Institution Traveling Exhibition Service plans to produce an exhibition of Ballet Theatre memorabilia — including costumes, costume and set designs, photographs and video footage — that will travel across the United States and to countries on the tour.

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Birmingham

Centenary Festival Is a Year-Long Party

The city of Birmingham in Britain's West Midlands celebrates the centenary of its city charter this year.

Organizers have promised a year-long party with a non-stop program claimed to be the most comprehensive ever staged by a British city. The range of activities is astonishing — over 650 events featuring the arts, sport, science, education, industry, commerce and entertainment, all to celebrate the city's past as well as provide a glimpse into its future.

After yesterday's reenactment of the 1889 ceremonial visit by Queen Victoria, who granted the Borough of Birmingham its city charter, a centenary festival service was held at Birmingham Cathedral attended by the Archbishop of Canterbury, Dr. Robert Runcie. The city center was taken over by musicians and there was dancing in the streets to celebrate Charter Day.

The year-long program of exhibitions, attractions and other events is intended to be as diverse as the 1,001 trades that helped make Birmingham Britain's second city. Among planned activities are street parties and quiz games, a Royal Ballet performance at the Birmingham Hippodrome, and Simon Rattle conducting the City of Birmingham Symphony Orchestra in a centenary festival concert. International events to be held in Birmingham during the year include the European Ice Figure Skating Championships (January 17-22) at the city's National Exhibition Centre and a Christian celebration of renewal and witness led by South African Archbishop Desmond Tutu at Villa Park on April 23. A multicultural festival depicting the rich variety of Birmingham's cultural heritage will follow the celebration.

The citizens are the most enthusiastic supporters of centenary events. Many activities have been arranged by community groups, associations, schools and local organizations that responded to an appeal for celebration ideas. "The response from all sections of the community has been staggering," says Birmingham's Lord Mayor, councillor Harold Blumenthal. "It is crucial that the people of Birmingham are involved in what, after all, is their party." Meanwhile, local businesses are providing around £1.5 million ($2.7 million) to sponsor events.

A highlight of the year will be the Queen's visit to Birmingham Cathedral to distribute Maundy Money (a traditional royal custom associated with Easter festivities) on March 23. Prince Charles, who is patron of the centenary festival, will also visit the city. He has shown considerable interest in schemes to help the inner-city residents and chose to celebrate his fortieth birthday last November with a party in Birmingham.

A formidable critic of modern architecture, Prince Charles has described plans for the £121 million International Convention Centre in less than flattering terms. Council officials, however, are confident that the center, due to open in 1991, will act as a catalyst for future development.

Meanwhile, Birmingham's central landmark, the Bull Ring shopping center, is to be transformed into a £4 billion development. On a less grand scale, but possibly closer to Prince Charles's heart, a £500,000 Victorian-style square featuring trees and period street lamps is being created in John Bright Street as a key link between Birmingham's theater district, the civic center and the International Convention Centre. The council says it will be "an antidote to the sort of 1960s urban architecture criticized by His Royal Highness recently" and the design is a major step in the planners' process of making the city center a pedestrian district.

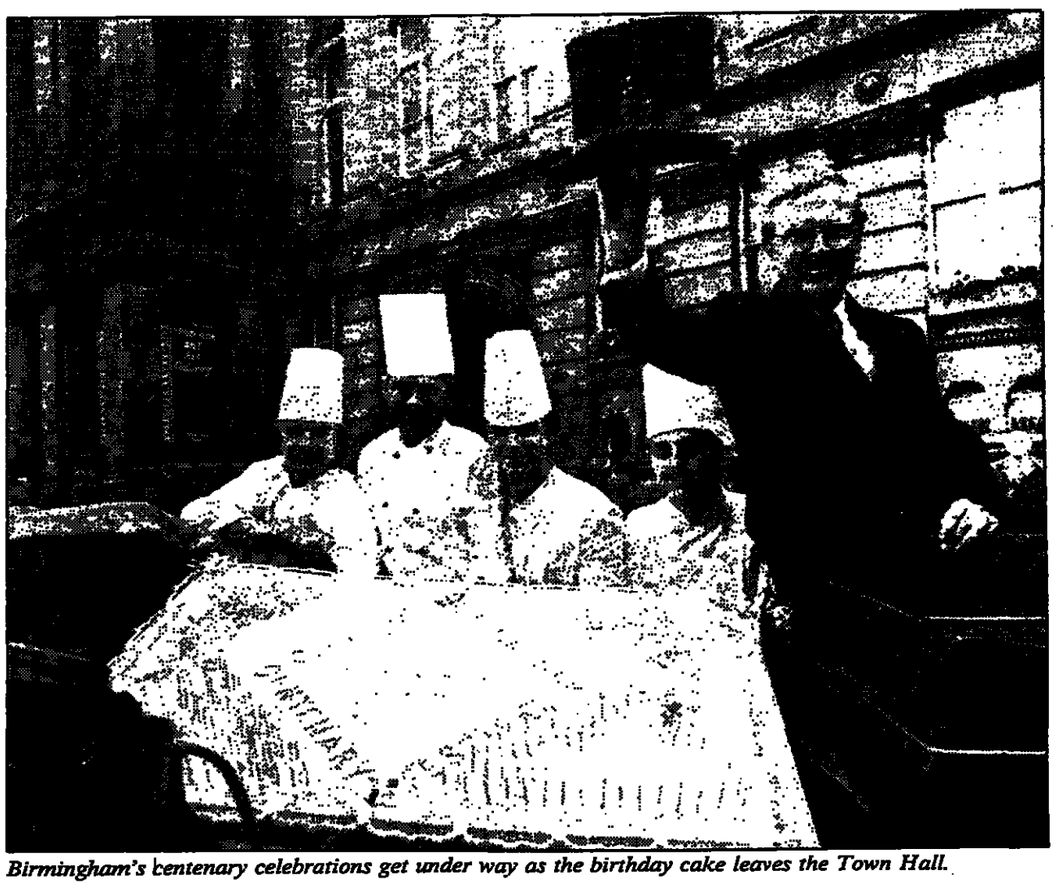
Birmingham is using its centenary festival to promote its image as a forward-looking city. Councillor Albert Bore, chairman of the city's economic development committee, has seen Birmingham emerge from recent economic doldrums in which thousands of workers lost their jobs in traditional industries. Now, Mr. Bore expects that the city, supported by new service industries, will play a major role in the rejuvenation of the West Midlands. Birmingham promotes itself as the business rival to London and has caught the attention of companies trapped in cramped and expensive bases in England's southeast. At a major exhibition recently, the city announced it had attracted £1.5 billion of new commercial and industrial investment.

From the humblest of beginnings — Birmingham was one of the poorest manors in Warwickshire and worth only one pound in the Domesday rolls of 1086 — the city now boasts a population of one million. Products stamped "Made in Birmingham" are exported throughout the world. UB40, the city's acclaimed rock music group, tours internationally with luggage marked simply "UB40 Birmingham."

Herbert Austin, who set up his works at Longbridge in 1905 and pioneered the popular Austin 7 automobile, could hardly have anticipated the revolutionary, robotic car plant now on the Birmingham Rover Group site. Birmingham, known as "motor city," has flourished on the bedrock of its car industry; appropriately, Britain's first street race, The Halfords Birmingham Superprix held in August, is part of the international Formula 3000 series.

The city has set its sights on staging the Olympic, Commonwealth or European Games, and the centenary celebrations will help sell Birmingham to a wider audience. Peter Nearns, centenary director, says: "The celebrations are going to last 365 days. We don't know of any other city that has managed to generate so many events, from the international to the local. We are hoping it is going to be the biggest and the best celebration of its kind."

Paul Hoyland



Birmingham's centenary celebrations get under way as the birthday cake leaves the Town Hall.

Centenary Highlights

Highlights in Birmingham's centenary celebrations include:
Queen Elizabeth II distributes Maundy Money at Birmingham Cathedral (March 23).
Archbishop Desmond Tutu leads a Christian rally at Villa Park (April 23).
The Lord Mayor's Show (May 27).
Centenary Pageant at Cannon Hill Park (August 4-6).
Halfords Birmingham Centenary Superprix (August 27-28).
Birmingham Centenary Vax Marathon (September 24).
First Birmingham International Tattoo, National Exhibition Centre (October 18-29).
Lyon Food Festival with the "Toques Blanches de Lyon" (November 16).

2-wheeled action too on the *City* streets. Pedal power brings the Milk Race final stage to *Birmingham*.

The WORLD's HERE SPINNING & JUMPING, REELING & WHEELING

For the first time in 50 years, the world's top figure skaters will perform in competition, in Britain. The 1989 European Figure Skating Championships take place at the National Exhibition Centre starting next week.

The *City* will also be graced by a major season of Sadlers Wells Royal Ballet – one of the world's leading ballet companies.

Birmingham's International Film and Television Festival attracts the very best "on screen" from the four corners of the world. *Birmingham's* got it taped.

Robin Williams in 'Good Morning Vietnam', U.K. premier in Birmingham!

The Royal International Horse Show, the UK's premier showjumping event, featuring the leading showjumpers of today and the champions of tomorrow will be riding into town once again to the National Exhibition Centre.

Racing in the street. Detroit? Monaco? Adelaide? And the *Birmingham* Superprix – one of just four major events worldwide where the original spirit of motor racing still lives on.

Birmingham celebrates 100 years in superb shape for the next century.
Major developments announced or in progress represent an investment of over £1.5 billion. The International Convention Centre (to open in 1991). The National Indoor Arena (Britain's first purpose-built indoor sports arena). Birmingham Heartlands (a consortium regenerating 1,900 inner city acres). Further expansion of the National Exhibition Centre (to give a total of 125,000 square metres). Expansion at *Birmingham* International Airport. And the re-development of *Birmingham's City Centre.*

Patron of the Birmingham Centenary Festival HRH Prince Charles, The Prince of Wales

The City of *Birmingham* Symphony Orchestra and their conductor Simon Rattle have played in the world's greatest concert halls and to the world's greatest critics – they have an outstanding international reputation.

Where's Britain's biggest Jazz Festival? Swinging down-town *Birmingham*, of course. It's an international event, man. 1,000 of the world's finest jazz musicians playing to 200,000 of the world's finest people.

OFFICIAL CENTENARY BUSINESS PATRONS
BRITISH AIRWAYS
Cadbury
Legal & General
West Midlands Travel

a Whole Lot of CENTENARY GOING ON
Birmingham

FOR MORE INFORMATION ON THE CITY OF BIRMINGHAM CENTENARY, CONTACT THE CENTENARY FESTIVAL OFFICE, BIRMINGHAM CITY COUNCIL, COUNCIL HOUSE, BIRMINGHAM B1 1BB.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
SmkBck	25138	53⅝	51⅞	52½	+ ⅛
RJR Nb	16921	94¾	94⅜	94¾	+ ⅜
FordM	15230	53⅜	52½	52⅞	
BriRsc n	14177	36	35⅞	35⅞	— ⅛
Masco	13035	25⅞	24¾	25¼	+ ⅛
Merck s	12208	60¾	59⅞	60⅜	+ ½
USX	12181	31⅝	31¼	31⅝	+ ⅛
IBM	11690	123¾	122⅞	123⅜	+ ¼
Chrysir	10925	27½	26¾	27¼	+ ⅛
AT&T	10239	29¼	29	29	— ⅛
PepsiCo	9930	39⅞	38⅝	38⅞	— ⅛
BritSt pp	9826	12	11¾	11⅞	— ⅛
GMot	9794	88⅞	86½	88	+ ⅜
Churchs	9660	8⅛	8	8	— ⅛
Marriot	9313	33¾	33	33¾	+ ⅜

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	88.71	+ 0.18
Utilities	88.64	+ 0.34
Industrials	88.79	+ 0.05

Market Sales

NYSE 4 p.m. volume	132,320,000
NYSE prev. cons. close	215,192,270
Amex 4 p.m. volume	11,400,000
Amex prev. cons. close	12,410,000
OTC 4 p.m. volume	122,842,800
OTC prev. 4 p.m. volume	135,428,100
NYSE volume up	66,944,800
NYSE volume down	38,152,200
Amex volume up	5,317,800
Amex volume down	2,816,080
OTC volume up	n.a.
OTC volume down	n.a.

NYSE Diary

	Close	Prev.
Advanced	838	907
Declined	612	586
Unchanged	540	496
Total Issues	1990	1989
New Highs	59	81
New Lows	8	9

NYSE Index

	High	Low	Close	Ch'ge
Composite	159.68	159.05	159.58	+ 0.32
Industrials	194.00	193.15	193.86	+ 0.43
Transp.	151.68	151.04	151.45	+ 0.43
Utilities	75.06	74.89	75.04	+ 0.09
Finance	131.75	131.38	131.72	+ 0.28

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Jan. 12	299,086	573,488	10,337
Jan. 11	265,998	544,363	12,389
Jan. 10	252,614	642,181	18,918
Jan. 9	234,192	616,269	2,275
Jan. 6	251,176	577,286	2,999

*Included in the sales figures

Friday's NYSE Closing

Via The Associated Press

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2222.86	2235.00	2210.54	2226.07	+ 3.75
Trans	994.81	1002.27	989.95	996.76	+ 8.45
Util	188.66	189.54	187.53	188.54	— 0.41
Comp	845.25	850.26	840.67	844.34	+ 0.78

AMEX Diary

	Close	Prev.
Advanced	358	253
Declined	238	242
Unchanged	314	280
Total Issues	910	875
New Highs	39	30
New Lows	6	8

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	329.17	327.33	328.91	+ 0.82
Transp.	236.10	234.56	235.62	+ 0.50
Utilities	112.69	112.29	112.68	+ 0.25
Finance	25.44	25.33	25.41	+ 0.08
SP 500	284.12	282.71	283.87	+ 0.70
SP 100	—	—	263.87	+ 0.70

NASDAQ Index

	Close	Ch'ge	Week Ago	Month Ago
Composite	387.09	+ 0.88	384.24	375.80
Industrials	384.87	— 0.31	383.03	371.41
Finance	463.87	+ 0.85	461.91	455.49
Banks	444.37	+ 0.34	439.88	435.54
Insurance	441.07	— 0.34	431.29	422.43
Utilities	512.51	+ 0.97	502.42	486.45
Transp.	405.39	+ 0.82	403.75	380.57

NASDAQ Diary

	Close	Prev.
Advanced	963	1,151
Declined	784	842
Unchanged	n.a.	2,517
Total Issues	n.a.	4,510

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
TexCd e	8762	33⅝	32⅞	33⅞	+ 1⅛
TexAir	5853	13	12⅝	13	+ ⅜
EchoBy	4158	14⅝	14⅛	14⅜	
DWG	3389	6⅞	6⅝	6⅞	+ ⅛
FruitL	3138	6⅝	6⅛	6⅝	+ ⅜
Amdhl s	3085	21	20⅝	20⅞	— ⅛
Hmvsf	2587	17⅝	17	17⅝	+ ⅛
MoogC?	2467	8⅛	7⅝	8	+ ⅛
ICH	2380	4⅞	4	4⅞	
IntTich	2253	9⅞	9⅝	9⅝	— ⅛
Viacm pf	2206	25⅞	25⅛	25½	+ ⅜
ENSCO	2179	2⅛	2	2	
viResRs	2101	1⅛	1	1⅛	— ⅛
NY Time	2041	27⅜	26⅞	27	
BlountA	1866	12⅝	12	12⅝	+ ⅛

AMEX Stock Index

High	Low	Close	Ch'ge
315.94	314.76	315.93	+ 0.92

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Edges Up in Slow Trading

United Press International

NEW YORK — Prices posted only modest gains Friday in quiet trading on the New York Stock Exchange as the market absorbed bouts of profit-taking after its recent strong advance.

The Dow Jones industrial average, which rose 15.89 points Thursday, edged up 3.75 to close at 2,226.07.

Stocks rebounded from an early round of selling that traders attributed to the sharp gains won in six of the last seven sessions. Prices remained in a tight trading range throughout the rest of the day.

Nevertheless, the gain pushed the blue-chip average to its highest closing level since the market collapsed on Oct. 19, 1987. For the week, the Dow industrials rose 31.78 points.

Advances led declines by a more than an 8-6 ratio. Big Board volume totaled 132.32 million shares, down from 183 million traded Thursday.

Broader market measures also advanced. The NYSE composite index rose 0.32 to 159.58 and Standard & Poor's 500-stock index advanced 0.70 to 283.87. Both posted new recovery highs. The price of an average share rose 7 cents.

Before the market opened, the government said retail sales rose 0.2 percent in December, below analysts' expectations of a 1 percent or more jump.

Analysts said the surprisingly small rise in December retail sales, which sparked a bond market rally, eased fears that the Federal Reserve would take steps to tighten credit conditions further.

Ricky Harrington, technical analyst with Interstate Securities Corp. in Charlotte, North Carolina, said profit-taking could occur again in the next session or two, but added he was not concerned since it would allow the market to consolidate its recent gains before moving substantially higher again.

Mr. Harrington said the market's recent rally, which saw the Dow post four recovery highs this week, was fueled by the "January effect," a tendency for stocks to rise early in the year as institutions placed funds tied to profit-sharing and pension plans into the market.

Smithkline Beckman was the most active issue, up ⅛ to 52½ amid news that the drug company has become a takeover target due to its sagging performance for more than a year.

RJR Nabisco followed, up ⅜ to 94¾. Ford was third, unchanged at 52⅞. Ford Thursday boosted its quarterly dividend 25 percent, to 75 cents a share.

AT&T eased ⅛ to 29. IBM rose ¼ to 123⅜.

Prices closed higher in moderate trading of American Stock Exchange issues.

The Amex Market Value index rose 0.93 to post a new recovery high of 315.93. The price of an average share added 4 cents. Advances led declines by about a 3-2 margin. Composite Amex volume eased to 13.51 million shares from 14.37 million on Thursday.

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
A										
[illegible]										
B										
[illegible]										
C										
[illegible]										
D										
[illegible]										
E										
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(Continued on next left-hand page)

Triumphs in TV technology ...
SAMSUNG Electronics

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE

... look no further than Samsung
SAMSUNG Electronics

SATURDAY-SUNDAY, JANUARY 14-15, 1989 **

ECONOMIC SCENE

With Budget Predictions, Take a Large Grain of Salt

By LEONARD SILK
New York Times Service

NEW YORK — President Reagan has delivered his farewell address and his final budget. His one great regret, he said, was "the deficit." But the least surprising thing about his final budget is that it shows the deficit declining well within Gramm-Rudman-Hollings targets: to $98.6 billion in 1990, $66.8 billion in 1991, $32.2 billion in 1992, and then swinging above the balanced-budget line to surpluses of $2.4 billion in 1993 and $33.4 billion in 1994.

How realistic are such projections? Extreme skepticism is in order. Consider the record.

On Sept. 9, 1980, a team of economic advisers to Mr. Reagan, headed by George P. Shultz, now the retiring secretary of state; and Alan Greenspan, now the chairman of the Federal Reserve Board, issued a projection indicating that a Reagan-Bush administration could greatly increase military spending, cut taxes by about one-third and still balance the budget during its first term.

In 1980, Shultz and Greenspan predicted a surplus during Reagan's first term.

Their projection showed a deficit of $27 billion for 1981, $21 billion for 1982, a balanced budget in 1983 and surpluses of $28 billion in 1984 and $93 billion in 1985.

Two trillion dollars in deficits later, the president's economic advisers are attributing the continuing gusher of red ink to the failure of the administration — and most other economists — to anticipate the 1981-82 recession.

In February 1981, the administration predicted 4.2 percent inflation-adjusted growth for 1982, a more optimistic forecast than most; GNP actually fell by 2.5 percent in 1982, giving the administration a 6.7 percentage point error.

Omitting 1981, the administration calculates its average error in the other seven years as only one-tenth of a percentage point, better than the average forecast errors of minus two-tenths of a percentage point and minus five-tenths of a percentage point for the Congressional Budget Office and the consensus of Blue Chip private economic forecasters.

But if the economic forecasting record has been as good as the administration maintains, why have the budget deficit forecasts been so far off the mark?

FOR INSTANCE, the 1988 budget document predicted that the budget deficit for fiscal 1988 would be $107.8 billion; it actually came in at $155.1 billion. The 1988 budget also forecast that the 1989 deficit would be $92.8 billion; the new Reagan budget now says it will be $161.5 billion, a miss of $68.7 billion in two years, assuming the 1990 budget is right.

One reason for such huge budget-forecasting errors is that seemingly small errors in forecasting national output, inflation, interest rates or other economic variables can lead to much greater errors in budget deficit forecasts, not only for the next year but also for years to come.

Thus, according to estimates of the Congressional Budget Office, an error of one percentage point, on the low side, in forecasting the average level of all interest rates can lead to an error in forecasting the budget deficit of $3 billion in the first year, $11 billion in the second year, $16 billion in the third year and $30 billion in the sixth year.

In addition, there are differences among the administration's economists and congressional and private experts on a wide range of estimating costs or receipts.

One may have all the sympathy in the world for the technical difficulties facing the economic and budget forecasters. But such difficulties do not explain why the administration's budget deficit forecasters continually err on the low side.

Currency Rates

Cross Rates

Jan. 13

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.0755	3.6775	1.1287	0.331	0.1538 *	—	5.39 *	1.3235	1.638 *
Brussels(a)	38.5075	68.205	20.9415	6.1395	2.8528 *	18.5535	—	24.551	0.304
Frankfurt	1.8384	3.258	—	0.2932	0.1363 *	0.8861	4.775 *	1.1727	1.451 *
London (b)	1.7815	—	3.2623	11.1100	2,387.50	3.6818	68.16	2.7753	225.285
Milan	1,349.15	2,392.70	734.00	215.12	—	650.47	35.07	861.07	10.651
New York(c)	—	1.7655 b	1.8445	6.2653	1,352.50	2.0805	38.62	1.574	127.40
Paris	6.272	11.115	3.4108	—	0.4646 *	3.0221	0.1629	3.999	4.9528 *
Tokyo	126.80	225.50	69.18	20.31	0.943	61.39	3.309	81.38	—
Zurich	1.5625	2.7774	0.8524	0.2501	0.1161 *	0.7555	4.0677 *	—	1.2351 *
1 ECU	1.1319	0.6393	2.0845	7.1097	1,530.27	2.3526	43.6409	1.777	143.632
1 SDR	1.3279	0.7469	2.4321	8.2976	1,782.71	2.7458	50.9439	2.0744	167.619

*Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	13.505	Fin. markka	4.2295	Mex. peso	2280.00	S. Afr. rand	2.3815
Austral. $	1.1534	Greek drac.	151.70	N. Zealand $	1.5785	Soviet ruble*	0.6154
Austr. schil.	12.79	Hong Kong $	7.805	Nig. naira*	5.2995	Span. peseta	114.20
Belg. fin. fr.	39.38	Indian rupee	15.08	Norw. krone	6.635	Swed. krona	6.2275
Brazil cruz.	772.285	Indo. rupiah	1720.00	Phil. peso	20.70	Taiwan $	27.76
Canadian $	1.1964	Irish £	0.6846	Port. escudo	149.50	Thai baht*	25.285
Chinese yuan*	3.7221	Israeli shek.	1.80	Saudi riyal*	3.75	Turkish lira	1824.00
Danish krone	7.05	Kuwaiti dinar*	0.2842	Sing. $	1.9403	UAE dirham*	3.672
Egypt. pound	2.3529	Malay. ring.*	2.723	S. Kor. won	683.70	Venez. boliv.	37.25

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7830	1.7778	1.7728	Canadian dollar	1.1979	1.1994	1.2014
Japanese yen	125.36	124.88	124.39	Swiss franc	1.5437	1.5391	1.5341
Deutsche mark	1.8150	1.8098	1.8042				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

Jan. 13

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	9⅜-9½	5¼-5⅜	5 1/16-5 3/16	13-13⅛	8 7/16-8 9/16	4¼-4⅜	7⅞-8	7½
2 months	9¼-9⅜	5 5/16-5 7/16	5½-5⅝	13-13⅛	8½-8⅝	4 5/16-4 7/16	8-8⅛	7⅝
3 months	9 5/16-9 7/16	5½-5⅝	5½-5⅝	13⅛-13¼	8½-8⅝	4½-4⅝	8 1/16-8 3/16	7 11/16
6 months	9 7/16-9 9/16	5 11/16-5 13/16	5 11/16-5 13/16	13 1/16-13 3/16	8 9/16-8 11/16	4½-4⅝	8⅛-8¼	7 13/16
1 year	9 11/16-9 13/16	5 13/16-5 15/16	5 13/16-5 15/16	12⅞-13	8 11/16-8 13/16	4⅝-4¾	8⅛-8¼	7 13/16

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR)
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates Jan. 13

	Close	Prev.
United States		
Discount rate	6½	6½
Prime rate	10½	10½
Federal funds	9.00	9¼
Com paper 90-179 days	8½	8.42
3-month Treasury bills	8.18	8.26
6-month Treasury bills	8.30	8.39
3-month CD's	8.75	8.75
3-month CD's	8.80	8.80
Japan		
Discount rate	2½	2½
Call money	3¾	3¾
1-month interbank	4 5/16	4 5/16
3-month interbank	4½	4½
West Germany		
Discount rate	3½	3½
Lombard rate	5½	5½
Overnight rate	5.05	5.10
1-month interbank	5½	5½
3-month interbank	5.60	5.60
6-month interbank	5¾	5¾
Britain		
Bank base rate	13.00	13.00
Call money	12¾	13.00
1-month interbank	13¼	13¼
3-month interbank	13⅛	13 1/16
France		
Intervention rate	7¾	7¾
Call money	8 7/16	8¼
1-month interbank	8⅝	8⅝
3-month interbank	8 7/16	8 7/16
6-month interbank	8½	8½

Sources: Reuters, Bank of Tokyo, Commerzbank, Credit Lyonnais.

Asian Dollar Deposits

Jan. 13

1 month	9 5/16 - 9 7/16
2 months	9¼ - 9⅜
3 months	9⅜ - 9½
6 months	9½ - 9⅝
1 year	9 11/16 - 9 13/16

Source: Reuters.

U.S. Money Market Funds

Jan. 13

Merrill Lynch Ready Assets
30-day average yield: 8.41
Telerate Interest Rate Index: 8.968
Source: Merrill Lynch, Telerate.

Gold

Jan. 13

	A.M.	P.M.	Ch'ge
Hong Kong	403.75	403.75	—1.20
Luxembourg	403.70	—	—1.50
Paris (12.5 kilo)	404.78	404.65	+0.84
Zurich	403.45	405.95	+1.50
London	403.50	405.55	+1.40
New York	—	402.25	—2.25

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Japan's Workers Are Telling Companies to Share the Wealth

Reuters

TOKYO — Japanese workers, nominally among the highest paid in the world, are expected to press for a bigger share of hefty corporate profits in wage negotiations this spring.

Organized labor announced demands this week for an average 6 to 8 percent increase for the annual wage talks, called *shunto*, or spring labor offensive.

Economists expect actual increases for the 1989-90 financial year that begins April 1 to average about 5 percent, after this year's 4.4 percent.

"There is no reason for management to offer low wage increases because of very favorable corporate performance," said Yoshihiro Furukane, senior economist at Yamaichi Research Institute of Securities & Economics Inc.

Koichi Yano, an economist at Mitsubishi Research Institute Inc., said that if wages rose by around 5 percent "it will not adversely affect inflation; it will boost private consumer spending while prices are stable."

A tight labor market also will contribute to higher wage increases, Mr. Yano said.

In addition to wages, most large Japanese companies offer bonuses equivalent to one to three months' salary once or twice a year. Some bonuses are based on company performance.

The Japanese Private Sector Trade Union Confederation, Japan's largest labor organization with 5.57 million members, has set a target demand of an average 6 percent to 8 percent wage rise for 1989-90.

The confederation, known as Rengo, is an umbrella organization for unions in the auto, iron and steel, electronics, airline and other industries.

Japan's second-largest union association, the General Council of Trade Unions of Japan, plans to seek at least an average wage rise of 8 percent. The council, which is known as Sohyo, has 4.5 million members in the private and public sectors.

An official of the Japanese Federation of Employers' Associations, known as Nikkeiren, said management would emphasize cuts in consumer prices and work hours, not wage increases.

The official said wage levels for the Japanese in 1987 were already about 20 percent higher than those in the United States.

Consumer prices in Japan were about 60 percent higher than in the United States in the first nine months of 1988, against about 48 percent higher in 1987, the Nikkeiren official said.

Nikkeiren's traditional formula for calculating wage increases is the forecast for inflation-adjusted gross national product, minus the predicted rate of growth in employment. Recently Nikkeiren has also considered consumer prices.

Japan has projected GNP growth for the 1989-90 fiscal year at 4 percent and the rise in the consumer price index at 2 percent.

A Sohyo official said that corporate earnings for the coming year "are expected to be huge and the good earnings should be reflected in workers' wages."

Mr. Furukane of Yamaichi said: "The average 6 to 8 percent wage rise sought by major unions is not excessive because of Japan's good economic situation."

But, he said, the iron and steel industry might get only 3 percent because of fears that "large wage increases would contribute to lower profits next year and force another industry rationalization."

The Japan Federation of Steel Workers Unions plans to seek an average 4.84 percent rise and three to four more holidays.

Iron and steel industry results are expected to be sharply improved in 1988-89 because of the industry's cost-cutting and diversification programs.

But NKK Corp., Japan's second-largest steelmaker, has announced that it will not offer a basic wage increase, but instead will raise employee bonuses in accordance with expected improvements in earnings.

The average bonus in the steel industry in calendar 1988 was 1.04 million yen ($8,240), up 11.8 percent from 1987.

An NKK spokesman said wages in Japan's steel industry were already the world's highest in nominal dollar terms and the industry would not be competitive on a world scale if companies offer big increases.

U.K. Firm Ousts Top Executive

Blue Arrow Taps Fromstein of U.S.

Reuters

LONDON — A boardroom battle at Blue Arrow PLC, the world's biggest employment agency, ended Friday with the man who built it stripped of executive powers.

Directors of the British-based group replaced Tony Berry as chief executive with an American, Mitchell Fromstein, former head of the group's U.S. subsidiary, Manpower Inc., according to a statement.

Mr. Berry, 46, one of Britain's most dashing entrepreneurs, remained nonexecutive chairman.

Some analysts saw his eclipse as partly a result of a poor performance in the share price after Blue Arrow's 1987 takeover of Manpower, and of controversy over the flop of a £387 million ($690 million) rights issue of stock made to help finance that deal.

Blue Arrow shareholders took up fewer than half the issue. Milwaukee-based Manpower cost Blue Arrow $1.3 billion.

In the boardroom struggle, Mr. Fromstein, 62, was forced to resign last month as head of the giant U.S. temporary-recruitment agency which he helped build. But that led to a campaign by U.S. holders of Manpower agency franchises to have him reinstated.

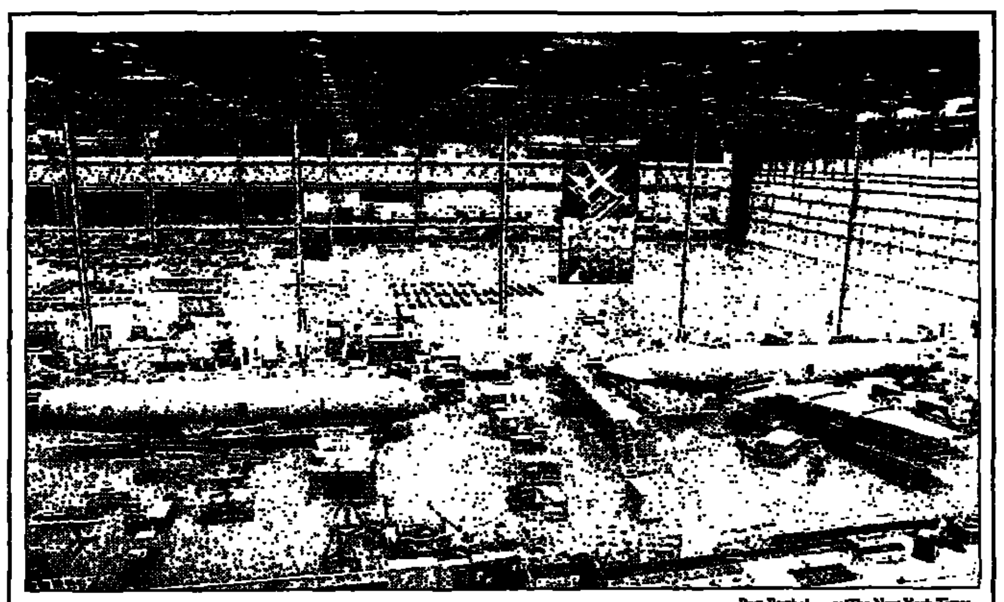
Manpower representatives had been planning to travel to London to lobby for Mr. Berry's removal from executive control of Manpower. They later deferred the visit and said they would await day-to-day developments.

Mr. Berry said last week that he was under no pressure to resign, though he accepted that mistakes had been made by the group.

The board statement said the decision to bring Mr. Fromstein back to Blue Arrow to replace Mr. Berry as chief executive resulted from differences between directors on management style.

Blue Arrow's company secretary, Bruce Gray, later declined to elaborate on the company's statement when asked about the differences

See ARROW, Page 11



Bart Bartholomew/The New York Times
Lockheed hanger in Palmdale is far from full as work continues on the P-3S3 submarine hunter.

The Great California Boom Wanes

Military Cuts, Housing Problems Point to a Slowdown

By Richard W. Stevenson
New York Times Service

LOS ANGELES — California's six-year economic boom, which strengthened the state's image as a land of boundless opportunity, may be coming to an end.

Many economists say California's growth is likely to slow significantly in the next few years as the state confronts an array of difficulties. The most pressing of these is the likelihood of further cuts in military spending, which would harm the state's aerospace and electronics industries.

Among the other concerns are a lack of affordable housing and a possible end to the state's construction boom, as well as the cost of cleaning up pollution.

"All these issues point to slower growth for California relative to the U.S. as a whole," said David Hensley, the director of California forecasting for the Business Forecasting Project at the University of California-Los Angeles. "California's going to look more like the U.S. for a while."

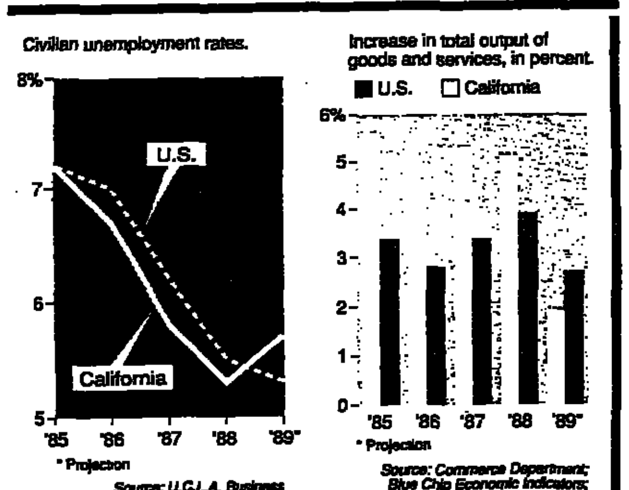
Since the most recent U.S. recession ended in 1982, the state has been a star of the American economy. The most populous and productive state, it has generated increases in total output, personal income and employment far greater than the rest of the country, and it has attracted millions of new residents.

California's highly diversified economy remains fundamentally sound, economists said. With its unparalleled concentration of technological expertise, it is almost certain to remain a dominant player in emerging, high-growth fields. It is also the primary gateway to Asia and an increasingly important center for trade and finance.

The state might even continue to outperform the national economy, although by a slimmer margin, and some economists believe it has the potential to resume its rapid growth in the 1990s.

"The state retains its economic advantages across the board," said Stephen Levy, director of the Center for the Continuing Study of the California Econo-

Signs of a Slowdown



The New York Times

See CALIFORNIA, Page 13

Dollar Higher After Comments By Stoltenberg

Compiled by Our Staff From Dispatches

NEW YORK — The dollar posted sizeable gains Friday as remarks by Finance Minister Gerhard Stoltenberg of West Germany unlocked bullish tendencies after an earlier fall caused by the release of U.S. economic data and central bank intervention.

The dollar jumped to 1.8445 Deutsche marks from 1.8273 DM at the close Thursday, and to 127.40 yen from 126.425 yen.

Mr. Stoltenberg, in Washington to consult with U.S. officials, said the major industrialized countries were all happy with the dollar in its current range.

"Around current levels, this dollar exchange rate is reasonable and agreeable to all of us," the West German official said.

After two days of talks, Mr. Stoltenberg also said he was confident that the incoming Bush administration and Congress would reach agreement on a plan that would reduce the U.S. budget deficit to the level prescribed by the Gramm-Rudman-Hollings law.

"I see a fairly good chance that there will be a compromise that meets the necessities of sound budgetary policy," Mr. Stoltenberg said.

The budget plans of the new U.S. administration would be an important part of the agenda of an early meeting of the Group of Seven industrial nations, he said.

The Group of Seven includes the United States, Japan, West Germany, Britain, France, Italy and Canada. The group is likely to meet in Washington in February, he said.

The emphasis of a meeting

See DOLLAR, Page 13

Japan Urges Caution In Economic Policies

Reuters

TOKYO — The pace of the improvement in global external imbalances has slowed and major nations should follow a cautious economic policy, the Bank of Japan said Friday in a report on the world economy.

Japan's central bank noted that improvement in the U.S. trade deficit "has been rather slow recently, reflecting an increase in imports parallel with domestic demand." Therefore, it said, "The deceleration of domestic demand" in the United States is "an urgent issue."

The bank urged major nations to follow a cautious economic policy, paying ever closer attention to price stability. It rejected arguments for a lower dollar, saying that stable exchange rates are needed at the current stage of the world recovery.

"Given the current high level of capacity utilization" in the United States, the bank said, "further exchange rate adjustment cannot lead to any significant increase in exports."

A lower dollar would also worsen the nominal trade imbalance by pushing up import prices in the United States, it noted.

Structural changes that will resolve external imbalances are now gathering force, the bank added.

The central bank forecast that the world economy would grow steadily in 1989, though growth will decelerate from last year.

"The slowing of growth rates, especially in deficit countries, would be desirable at the present juncture," it said.

While external imbalances improved considerably in 1988, the correction in the United States had slowed since midyear, while imbalances in the European Community are starting to expand.

"With regard to Japan, the imbalance improved on a limited scale in nominal terms, but, in real terms, it showed a substantial improvement," the bank said.

West Germany's surplus expanded from mid-1988.

NatWest to Close U.S. Bond-Dealing Operation

Compiled by Our Staff From Dispatches

LONDON — The U.S. subsidiary of Britain's biggest bank will end its role as a primary bond dealer in the New York-based U.S. Treasury securities market, National Westminster Bank PLC announced Friday.

The withdrawal of County NatWest Government Securities Inc., the U.S. unit, comes amid growing signs of difficulties at County NatWest Ltd. that led to the replacement Tuesday of the chairman of National Westminster's investment-banking arm.

The closure, with the loss of 100 jobs, comes less than four months after County NatWest was accorded primary dealer status by the Federal Reserve, the U.S. central bank.

A spokesman for the British bank said the move was unconnected with the current Department of Trade investigation into County NatWest's activities, which followed its underwriting of Britain's largest rights issue ever to help finance Blue Arrow's 1987 takeover of the U.S. employment agency Manpower.

However, even before the investigation and the appointment of Howard MacDonald as County chairman in place of Terry Green, there were indications that the investment bank, under strain since the October 1987 stock market collapse, might seek to trim some operations.

National Westminster's stock rose 5 pence to close at 551 on the London Stock Exchange.

The spokesman did not reveal the extent of any losses in the primary dealing operation except to say, "The cost of the operation was not very different to the budget at the start of 1988."

The bank said in a statement, "Continued expansion of the business would require the injection of substantial additional capital, but analysis of the prospective long-term return on capital has persuaded us that further investment cannot be justified."

NatWest was only a small player in the U.S. Treasury market and one of 46 primary dealers. These are dealers with direct trading access to the Federal Reserve Bank in New York who are expected to participate actively in Treasury bond auctions.

U.S. authorities recently doubled a primary dealers' minimum capital requirement to $50 million and increased the minimum volume of customer transactions in Treasury and federal agency securities that they must meet.

National Westminster said it took into account the new requirements in reaching its decision.

The withdrawal from primary bond dealing does not affect its secondary market U.S. bond-trading operation, which continues in many financial centers around the world. And the bank would continue to maintain a presence in corporate and retail banking markets, a statement said.

The National Westminster spokesman added that "a small number" of the jobs lost in New York might be transferred to the bank's treasury operation in that city.

He had no details on the cost to the bank of any layoff payments.

(Reuters, AFP)

China Reverses Pay Rule After Firms Protest

Reuters

BEIJING — A plan to calculate the salaries of Chinese employees of foreign companies in U.S. dollars has been dropped after protests from foreign businesses, a government spokesman said Friday.

Yuan Mu, a spokesman for the State Council, said a state employment agency's "wrong decision," made without authority, had been reversed.

At the center of the controversy is the state-run Foreign Enterprise Service Corp., which has a near monopoly on the supply of Chinese employees to foreign companies.

The agency told its clients last month that the wages of Chinese staff would be calculated in dollars from Jan. 1. Many employers saw the move as an attempt by the agency to preserve its income against an imminent devaluation of the Chinese yuan, and it would have raised their wage bills.

Joint TV Technology Effort Mulled by U.S. Firms

By Andrew Pollack
New York Times Service

SAN FRANCISCO — Sixteen U.S. electronics companies, including several leading computer companies, are actively considering banding together to get the United States into the emerging high-definition television, or HDTV business.

The companies said Thursday that they had agreed to finance a two-month study to draw up a business plan for an HDTV limited partnership, according to the American Electronics Association, the trade group organizing the activity.

However, the companies have not yet committed themselves to actually forming or joining such a partnership.

Among the companies participating in the business planning are International Business Machines Corp., Digital Equipment Corp., Hewlett-Packard Co. and Apple Computer Inc. Others involved include Zenith Electronics Corp., the last remaining American television manufacturer, and the chip makers Texas Instruments Inc. and Motorola Inc.

If such a partnership is formed, it could represent the most ambitious step yet in a recent wave of cooperative efforts among American companies aimed at keeping the United States competitive with the Japanese and Europeans. Japan has developed a complete HDTV system and plans to begin public broadcasts in 1990, while in Europe, a consortium is known to be working on a similar separate system.

Most existing U.S. efforts, like the semiconductor industry's Sematech consortium, are involved in research only; but the limited partnership might actually get involved in manufacturing HDTV products, according to Pat Hill Hubbard, vice president of the American Electronics Association. "The vision is beyond Sematech," she said.

HDTV provides pictures twice as sharp as in existing television. Such systems are several years away, in that they will likely require a change in broadcasting standards.

Since high-definition television will require a new generation of television sets, some electronics industry executives say it represents an unusual opportunity for American companies to get back into the consumer electronics business, which they have largely abandoned to Japanese and European companies.

Getting back into consumer electronics would also help the U.S. semiconductor industry because it would provide a huge market for chips. HDTV technology would also be useful in computers, these executives say.

However, the television industry is one with low profitability and high risks, and most U.S. companies would be hesitant to try to enter it themselves. Hence, these executives have argued, there needs to be cooperative effort involving many companies and the government.

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Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

NYSE Highs-Lows

NEW HIGHS 59

Airgas	AllenGrp	AllenGp pf	AmIntGrp
Asarco Inc	BankNY	BemisCo s	BordnCh n
Borman	CedarFair	Centel	Champ Spk
Citicorp	ClairesStr	ColonialMun	Contel
CarnaGl	CypresMn pf	Disney	Enron 1050p
FabricCtr	FedNat Mtg	FedNMtg wi	GenCinema
Gen Motors	GaGulf	GerberProd	GlAllPac
GlNorIron	HousInt 250	IBP Inc n	IICTrn wi
KaufBdHm	Merck s	Mesabi Tr	MorganStn
NatMedEn	NeimMar	OverShip	Phelps Dod
PhelpsDod pf	PhilipMor	Primark n	Publick Ind
PuerR Cem	Quanex	RocalTel n	SeaCntLtd
SeaCntLtd pf	Seagrams	SoUNEngTl	StdBrPnt
SunDist	TCBY Ent	UAL Corp	UniFirst
UniTel2d pf	Univar Cp	Vulcan Matl	

NEW LOWS 8

ContlInfo	FstIntrstB p	JHM Mtg pf	MDC Corp
Munsingwr	Transcn Inc	WPenPw pf	WstUn pfB

AMEX Highs-Lows

NEW HIGHS 29

AmTr-chv un	AmTr-dd prm	AmTr-am prm	AmTr-am sc
AmTr-mrk un	AmTr-mrk prm	AmTr-pg prm	B&H OcnCr n
BankSF pf	CSS Ind	CarnivlCru	CavalierHo
CentyComm s	ChampPrd	Cominco	CrwnCnPet
CrwnCnP B	CrwnCnP pf	CrwnCnP pfD	Designcind
EntPub n	HollyCp s	ICN Biomed	LSB Ind
LSB Ind pf	Levitt	MagmaCopr	MagmaCpr wt
Maxxam	PlymRub A	SonmarkStr	Seaport Cp
StephnChm s	SupSurMf	TempltnEmg	ThermCard n
UnoRestr	ValleyForge	Viacom	

NEW LOWS 8

ElectrSnd	ICH Cp	Lorizza	PgSPL pfD
RAC Mtg n	RymacMtg n	SierraCapll s	SierCap7 pf

Knight-Ridder Offers 2 Newspapers for Sale

Los Angeles Times Service

LOS ANGELES — Knight-Ridder Inc. has announced that it wants to sell two of its newspapers, the Pasadena (California) Star-News and the Gary (Indiana) Post-Tribune.

Analysts said that Knight-Ridder, based in Miami, wanted to sell the two papers from its 30-newspaper chain to put more emphasis on its other businesses, such as the electronic database service, Dialog Information Services, which it bought from Lockheed Corp. last August for $353 million.

Both the Pasadena and Gary papers, while believed to be profitable, have been losing circulation, although Gary has regained some ground in the past two-and-a-half years. Knight-Ridder does not release financial data on the papers separately.

Analysts estimated Thursday that the company might get $45 million to $60 million for the Pasadena paper and $75 million to $100 million for the Gary paper.

Shearson to Take $70 Million Charge on MCorp

Reuters

NEW YORK — Shearson Lehman Hutton Holdings Inc. said Friday that it would take a $70 million pretax charge in the fourth quarter of 1988 as a result of a reduction in the carrying value of securities it holds in MCorp, a troubled Texas bank.

The charge will result in a loss for the quarter.

Shearson also said it would restate its net income by $30 million after tax, or $44 million before tax, for the first three quarters of 1988, to correct an overstatement in the earnings of its Boston Co. unit.

The investment banking group previously reported earnings of $140 million for the first nine months of 1988, down from $196 million in the same 1987 period.

Boston Co. announced earlier that it had suspended three top executives while it investigated overstatement of 1988 earnings.

Shearson said that its second-quarter 1988 net income would be lowered by $12.4 million to $38.7 million and its third-quarter by $11.7 million to show a loss of $3.5 million.

The overstatements related to improper accounting for certain revenue and expense items at Boston Co., Shearson said, adding that there was no misuse of company or client assets. On a restated basis, it said, Boston Co. would be profitable for 1988.

MCorp has asked for financial assistance from the Federal Deposit Insurance Corp. and has been in discussions with the agency in connection with a proposed recapitalization plan.

U.S. Futures

Via The Associated Press

Jan. 13

Grains · Food · Metals · Livestock · Industrials · Financial · Stock Indexes

Currency Options

PHILADELPHIA EXCHANGE — Jan. 13

Total call vol. 53,939 — Call open int. 368,461
Total put vol. 24,980 — Put open int. 309,108
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

Commodity Indexes

	Close	Previous
Moody's	1,117.10 f	1,115.40 f
Reuters	1,974.60	1,973.00
D.J. Futures	144.17	143.95
Com. Research	248.06	247.92

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

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Paris Commodities

Jan. 13

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Mar	1,685	1,660	1,660	1,667	+19
May	1,667	1,645	1,638	1,645	+26
Aug	1,678	N.T.	1,635	1,645	+27
Oct	N.T.	N.T.	1,600	1,610	+18
Dec	N.T.	N.T.	1,585	1,600	+12
Mar	1,565	1,562	1,570	1,590	+15

Est. vol: 1,248 lots of 50 tons. Prev. actual sales: 1,712 lots. Open interest: 20,199.

	High	Low	Close Bid	Ask	Ch'ge
COCOA French francs per 100 kg					
Mar	N.T.	N.T.	1,055	1,090	+7
May	N.T.	N.T.	1,060	1,100	+10
Jly	N.T.	N.T.	1,100	—	Unch.
Sep	N.T.	N.T.	1,185	—	Unch.
Dec	N.T.	N.T.	1,060	—	—45
Mar	N.T.	N.T.	1,060	—	—45
May	N.T.	N.T.	1,040	—	—50

Est. vol: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open interest: 226.

	High	Low	Close Bid	Ask	Ch'ge
COFFEE French francs per 100 kg					
Jan	N.T.	N.T.	1,280	—	—20
Mar	N.T.	N.T.	1,265	—	—5
May	N.T.	N.T.	1,210	1,240	—15
Jly	1,225	N.T.	1,190	—	—10
Sep	N.T.	N.T.	1,180	—	Unch.
Nov	N.T.	N.T.	1,180	1,215	+7
Jan	N.T.	N.T.	1,175	1,210	Unch.

Est. vol: 1 lots of 5 tons. Prev. actual sales: 8 lots. Open interest: 741.
Source: Bourse de Commerce.

London Metals

Jan. 13

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	2380.00	2390.00	2380.00	2390.00
Forward	2345.00	2350.00	2340.00	2345.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1869.00	1870.00	1860.00	1865.00
Forward	1776.00	1777.00	1750.00	1751.00
LEAD Sterling per metric ton				
Spot	385.00	387.00	385.00	386.00
Forward	385.00	386.00	385.00	385.50
NICKEL Dollars per metric ton				
Spot	14200	14300	16700	16750
Forward	15800	15900	15600	15700
SILVER U.S. cents per troy ounce				
Spot	589.00	592.00	590.00	593.00
Forward	602.00	605.00	603.00	606.00
ZINC (High Grade) U.S. Dollars per metric ton				
Spot	1687.00	1689.00	1665.00	1670.00
Forward	1646.00	1647.00	1627.00	1628.00

Source: AP.

London Commodities

Jan. 13

	Close Bid	Ask	High	Low	Previous Bid	Ask
COCOA Sterling per metric ton						
Mar	796	798	812	795	791	793
May	806	807	819	803	802	803
Jul	816	817	828	817	813	814
Sep	826	827	839	823	820	823
Dec	847	848	857	846	843	844
Mar	850	857	865	854	852	853
May	855	877	875	875	855	873

Volume: 5,155 lots of 5 tons.

GASOIL U.S. dollars per metric ton						
Feb	149.25	149.50	149.50	147.00	148.00	148.25
Mar	143.75	144.00	144.00	143.25	144.00	144.25
Apr	141.75	141.75	141.75	139.50	139.50	139.75
May	137.25	137.75	137.50	135.75	135.50	136.50
Jun	135.25	135.50	135.50	133.00	133.25	134.00
Jul	135.00	136.00	134.25	134.25	133.25	134.00
Aug	135.00	148.00	N.T.	N.T.	134.00	137.00
Sep	135.00	139.00	N.T.	N.T.	136.00	140.00
Oct	135.00	140.00	N.T.	N.T.	136.00	140.00

Volume: 6,080 lots of 100 tons.
Sources: Reuters and London Petroleum Exchange.

Dividends

Jan. 13

Company	Per	Amt	Pay	Rec
DISTRIBUTION				
Parker & Parsley Dv	Q	.60	3-15	1-31
EXTRA				
LADD Furniture Inc	-	.03	2-15	2-1
INCREASED				
Bear Stearns Cos	Q	.14	3-15	3-1
Ford Motor Co	Q	.75	3-1	1-30
LADD Furniture	Q	.07	2-15	2-1
Laidlaw Trnsp A&B	Q	.06	2-15	2-1
Liberty Natl Bcrp	Q	.20 ½	2-1	1-23
Washington Post	Q	.46	2-10	1-27
INITIAL				
Kemper Muncpl Inc	M	.06	1-31	1-13
USUAL				
Adams Express Co		.12	3-1	1-23
BIC Corp	Q	.25	2-6	1-26
Colgate-Palmolive	Q	.37	2-15	1-25
Dreyfus Corp	Q	.13	2-8	2-1
GTE Corp	Q	.67	4-1	2-21
Hartmarx Corp	Q	.27 ½	2-15	2-1
ITT Corp	Q	.37	4-1	2-8
Kaufmn & Broad Hm	Q	.07 ½	2-27	2-16
Kaufman & Broad	Q	.06	2-10	1-31
Keystone Heritage	Q	.25	2-10	1-31
Knape Corp	Q	.07 ½	2-22	1-25
Lone Star Ind.	Q	.47 ½	3-21	3-5
Mel-Call Systems	Q	.03	2-1	1-25
NWNL Cos Inc	Q	.28	2-10	1-22
Pacific Resources	Q	.05	3-15	3-1
Paychex Inc	Q	.03	2-20	1-30
Pittway Corp	Q	.45	4-4	3-17
Rubbermaid Inc	Q	.11	3-1	2-10
Selecterm Inc	Q	.05	1-27	1-03
Standard Motor Prds	Q	.08	3-1	2-15
Wallace Cmptr Svcs	Q	.20	3-20	3-1
Waltham Corp	-	.10	2-2	1-25

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

Spot Commodities

Jan. 13

Commodity	Today	Prev.
Aluminum, lb	1.0858	1.0858
Coffee, lb	1.46	1.41
Copper electrolytic, lb	1.573	1.637
Iron FOB, ton	213.00	213.00
Lead, lb	0.40	0.42
Printcloth, yd	0.50	0.48
Silver, troy oz	5.93	5.925
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	113.00	117.00
Tin, lb	4.6112	4.6158
Zinc, lb	0.75	0.75

Source: AP.

U.S. Treasuries

Jan. 13

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	8.19	8.21	8.49	8.56
6-month bill	8.29	8.31	8.79	8.89
1-year bill	8.30	8.32	8.99	9.08

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	101 2/32	101 4/32	8.89	8.98

Source: Salomon Brothers.

S&P 100 Index Options

Jan. 13

Calls: total volume 98,167; total open int. 344,583
Puts: total volume 85,598; total open int. 454,280
S&P 100 Index:
High 269.86 low 268.34 close 269.25 +0.45
Source: CBOE.

Ciba-Geigy's Sales Rose 12% in Year

The Associated Press

BASEL — Ciba-Geigy AG, the Swiss chemical and pharmaceutical company, announced Friday that group sales had risen 11.8 percent last year to 17.62 billion Swiss francs ($11.4 billion).

The company said it expected to report an even greater percentage rise in profit for 1988, partly because of currency factors. Ciba-Geigy linked the rise in sales to positive trends in the world economy and higher demand in the farm sector, which pushed up sales of agricultural products by 8 percent.

Plastics was the most buoyant major sector, showing a 20 percent rise in revenue. Sales of Ciba-Geigy's pharmaceutical products were paced by Voltaren, an anti-rheumatic drug that was introduced in the U.S. market during the second half of last year and whose worldwide sales topped 1 billion francs.

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BUSINESS ROUNDUP

Arnault Named Chairman of LVMH

Appointment Comes After Bitter Boardroom Feuding

Compiled by Our Staff From Dispatches

PARIS — LVMH Moët Hennessy-Louis Vuitton, the world's largest luxury goods conglomerate, on Friday named the French financier Bernard Arnault as its chairman after a bitter boardroom feud.

Mr. Arnault was unanimously elected at a special meeting of the supervisory board after the resignation Thursday of Alain Chevalier, who had run the group since the merger of Moët Hennessy and Louis Vuitton in June 1987. The appointment had been expected after Mr. Arnault and his partner, the British-Irish beverages group Guinness PLC, built up a stake of about 40 percent in LVMH.

Guinness said in London on Friday that it and Financière Agache, the holding company run by Mr. Arnault, had raised their joint holding in LVMH to 43.5 percent from 37.8 percent.

The two other main shareholding groups in LVMH are the Moët Hennessy and Vuitton families.

LVMH stock fell 159 francs ($25.60) to 3,730 after the leadership change, which signaled the end of the long battle. But some dealers said speculation on Guinness's role could lift the stock price later.

The board accepted Mr. Chevalier's resignation and that of another board member and Chevalier ally, Jean-Louis Masurel. In turn, it appointed Tony Greener, managing director of United Distillers, which is part of the Guinness group, and Pierre Gode of Financière Agache.

Mr. Chevalier said Thursday he was resigning because of differences of opinion over the company's future and because of the stock battle for the group, which he said had hampered day-to-day operations.

Sources said Mr. Chevalier lost Mr. Arnault's confidence last week after backing a Vuitton plan to split the group back into two separate entities. Ironically, Mr. Arnault, was enlisted by Mr. Chevalier six months ago to arbitrate a monthlong feud between the Moët Hennessy and Vuitton clans.

Mr. Arnault, whose father, Jean, was appointed head of the supervisory council last September, exploited feuding between rival family shareholders to take over an empire boasting a long list of luxury brands.

The financier already owns the Christian Dior and Christian Lacroix fashion houses. Now his collection of famous names includes Moët & Chandon, Dom Perignon and Veuve Clicquot champagnes, Hennessy and Hine cognacs, Christian Dior and Givenchy perfumes and Vuitton leather bags.

His appointment on Friday capped a remarkable return to the center of France's financial stage.

Mr. Arnault, 39, left France in 1981 when the Socialists came to power, seeing no future in the country for a young entrepreneur. He went with his family to Florida, where he developed housing projects. But he returned to France after deciding that the economic policies of President François Mitterrand had created opportunities.

Heir to a small family building concern in northern France, he entered the limelight four years ago when he fended off rival bids by French textile companies to take over the concern.

He went on to increase the company's holdings with the acquisition of the Conforama and Bon Marché department stores, before snapping up the Dior perfume unit.

"His ambition then became clear — to eventually rule a luxury goods conglomerate, using the cash derived from other businesses," a close aide said.

Banking sources estimate his worth at about 3 billion francs ($480 million).

The opportunity with LVMH arose last September when the head of Vuitton, Henri Racamier, who was unhappy about his stormy power-sharing relationship with Mr. Chevalier, asked Mr. Arnault to take a stake in LVMH.

Mr. Arnault's company became the major shareholder in LVMH, with more than a 30 percent stake held through Jacques Rober, a unit owned jointly with the British beverage group Guinness PLC.

Mr. Racamier soon realized that Mr. Arnault's ambition was to take control of the concern, and his delayed offensive last week on the open market was quickly met with hectic buying by Mr. Arnault, which brought the price of LVMH shares to a record 4,720 francs.

Mr. Arnault increased his stake through Rober to more than 40 percent and later said he would not allow a break-up of the concern under a plan engineered by Mr. Chevalier.

Mr. Chevalier's resignation meant the final hurdle to power was cleared for Mr. Arnault at LVMH. The company last week announced a 23 percent increase in 1988 sales to 16.3 billion francs. Consolidated profit was expected to jump 50 percent.

Guinness also said on Friday that it had raised its stake in Jacques Rober to 45 percent from 40 percent, with Agache holding the balance. *(Reuters, AFP)*

Japanese Firms Retrench in U.S.

Reuters

TOKYO — In a sign that Japan's big securities houses are having more difficulty dominating world financial markets than expected, two large firms on Friday disclosed staff cuts in the United States.

Nomura Securities Co. and Daiwa Securities Co., the two biggest securities companies in Japan, said their U.S. units were eliminating about 30 jobs each because of less profitability after the collapse of global markets in October 1987.

"As the profitability of the U.S. equities market has turned down so significantly after Black Monday, it has become clear that some of our resources could be better redeployed elsewhere," said Masaaki Kurokawa, the chairman of Nomura Securities International Inc. The U.S. unit will eliminate positions on its equities and sales staff, the company said.

Daiwa Securities America Inc. reduced its staff by about 30 people to about 370 people late last year, a Daiwa official said.

Foreign brokers had been afraid that Japan's giant securities companies would sweep through world financial markets. But Japanese brokerages' strategy of offering a complete line of services in the United States has run into trouble, particularly since the stock plunge, analysts said.

"Their operations in the United States are different from their operations here in Japan, where they have a readily available pool of customers and funds," said Brian Waterhouse, an analyst at the brokerage James Capel Pacific. "In the States, it is a lot tougher for them."

Nomura's cutback is the second in the United States by the world's biggest broker since October, 1987, and brings its total staff there to 530.

Mr. Kurokawa said "Nomura Securities International continues to operate a U.S. equities business, though on a reduced basis."

Katsuya Takanashi, the president of Nomura Securities International, said, "This shift in no way indicates a retrenchment or reversal of our enthusiasm or commitment to growth and diversification — both internally and externally — in the United States."

A Nomura spokesman in Tokyo denied local press reports that the U.S. unit showed losses for the year ended September 1988. The unit is likely to show a small profit, he said. Current profits for all of Nomura's overseas subsidiaries are likely to be down about 35 percent year-on-year in 1987/88, the spokesman said.

A Daiwa official said the company's U.S. subsidiary will show a loss for the year ended last Sept. 30. Total current profit for overseas subsidiaries' are likely to be some 50 percent lower than last year. Its staff cut, which took place at the end of last year, reduced its payroll to about 370 people.

A spokesman for Nikko Securities Co. said its U.S. unit, Nikko Securities International Inc., was also considering a reduction in its U.S. equities sales staff, but he denied reports Nikko was considering pulling out altogether from U.S. equities.

"There is a proposal to reduce personnel somewhat, but we can't say when or how much."

Nikko Securities International cut staff to 350 from 380 last February in response to the 1987 fall.

An official with Yamaichi Securities Co. declined to comment on whether his firm's U.S. unit would consider cuts. But he said the U.S. division would report losses for the year ended last Sept. 30.

Ford's Dividend Rise Puts Pressure on GM

By Doron P. Levin
New York Times Service

DEARBORN, Michigan — The cash-flush Ford Motor Co. has raised its quarterly dividend 25 percent, making Ford's dividend yield comparable to the yield of General Motors Corp.'s common stock.

But analysts split over the question of whether Ford's move, announced Thursday, would be followed by a similar action by GM.

GM, which has reported strong earnings increases in the past year, is to declare a quarterly dividend at its Feb. 6 board meeting. The company has not raised its dividend to shareholders for four years.

Separately, Ford promoted Alexander J. Trotman, the chairman of its Ford of Europe subsidiary, to executive vice president, operations, of North American Automotive Operations.

Mr. Trotman joins an inner circle of six other executive vice presidents who are expected to run the company when Ford's current chairman and president retire within the next two and a half years.

Mr. Trotman, 55, will be responsible for Ford's North American manufacturing, sales, car product development and truck operations. He will report to Louis R. Ross, who also is an executive vice president and is head of all North American Automotive Operations.

Ford's chairman, Donald E. Petersen, is to retire in September 1991, while Harold A. Poling is to retire as president in October 1990.

After financial problems forced Ford to omit the dividend in the early 1980s, Ford began in 1983 to steadily increase its payout. It has raised the rate 11 times in the past 22 quarters.

Thursday's increase to 75 cents a quarter, from 60 cents, will make the annual dividend $3 a common share.

At last accounting, Ford's hoard of cash and marketable securities totaled more than $9 billion.

At current stock prices, Ford's dividend yield, the amount of dividend a stock pays compared with the stock price, is about 5.7 percent, roughly equal to GM's yield.

Ford's shares were unchanged at $52.875 on Friday, after a 25 cent rise on Thursday.

Historically, investors seeking high dividend yield rather than stock price appreciation have favored GM among the Big Three automotive stocks.

That could change now, said Ronald Glantz, automotive analyst for Montgomery Securities Inc.

"Ford stock hasn't yielded as much as GM at any time in my memory," Mr. Glantz said. He speculated that GM was not likely to raise its $5 annual dividend because cash is tighter now than it was at the last increase in 1984.

Moreover, he predicted, GM directors are likely to raise the rate nearer to the retirement of the chairman, Roger B. Smith, next summer, as a tribute to his tenure.

David B. Healy, an analyst for Drexel Burnham Lambert Inc., agreed that GM was likely to wait some time before raising its dividend, citing Mr. Smith's recent statement of concern about the possible weakening of the economy later this year.

According to a GM spokesman, Mr. Smith said that "if GM earns consistently in the range of $14 to $15 a share," the board would consider raising the dividend.

In 1987, GM earned $10.09 a share and analysts expect GM to earn at least $14 a share for 1988.

Speaking of the automotive stocks, Mr. Healy agreed that "it may make more sense than before for investors who interested in income to own Ford stock. This could provide some competition to GM as an income vehicle."

But Scott Merlis, an analyst at Morgan Stanley & Co., said, "Prospects are excellent for GM to raise its dividend at the next board meeting, and if not at that meeting, then the next one" in May.

Mr. Merlis cited GM's cost-cutting and lower capital spending as the main reason for improved cash flow and profit. He said the annual rate might rise to $6 from $5.

Dumenil Agrees to Merger With Cerus for Stock, Cash

Reuters

PARIS — Cerus SA, Carlo de Benedetti's French holding company, said Friday that it was acquiring the French investment bank Dumenil Leblé SA in a share swap plus cash.

The deal will substantially boost Mr. de Benedetti's French holdings, creating a financial group with combined net assets of more than 20 billion francs ($3.2 billion) and market value of about 15 billion francs, a powerful force before the planned end of European trade barriers by 1992.

It will also give Mr. de Benedetti access to Dumenil's considerable cash resources and help to restore some reserves eaten up by last year's unsuccessful raid on Société Générale de Belgique. Dumenil joined forces with Cerus in the raid on Générale.

Cerus, which already holds 26.8 percent of Dumenil, said it was offering five of its own shares for two Dumenil shares plus 40 francs cash and one Cerus share warrant for one Dumenil share warrant giving the right to Cerus shares in the same ratio. Cerus said the share swap had been approved Friday by both boards.

Trading of shares in the two groups was suspended in Paris on Wednesday with Cerus last at 458 francs and Dumenil at 1,175.

Cerus said it became Dumenil's "reference shareholder" last year when it took a 26.45 percent stake. Mr. de Benedetti's Italian holding company, CIR, has a 30.4 percent stake in the French bank.

Cerus's French holdings include a controlling 25 percent stake in Valeo SA, the car components group; 49.9 percent of the Yves Saint Laurent fashion house; and 4.5 percent of Compagnie Financière de Suez, its rival in the Générale takeover battle.

Dumenil has also been expanding rapidly. It holds, among other things, 20 percent in Arnault & Associés, the holding company of the investor Bernard Arnault, who Friday was named chairman of the luxury goods group LVMH Moët Hennessy-Louis Vuitton.

Cerus has forecast 1988 net profit at about 400 million francs, up from 306 million in 1987. Dumenil's 1987 net was 276 million francs.

Protests Prompt IBM's South Korean Unit To Agree to Recognition of Labor Union

By Peter Maass
Washington Post Service

SEOUL — After a sit-in and hunger strike by union activists, International Business Machines Corp. agreed in principle Friday to recognize a South Korean union, ending a volatile conflict between the country's fledgling labor movement and the U.S.-based multinational.

The agreement is an unusual step for IBM, which prides itself on having a union-free work force in the United States and only a handful of unions in its more than 130 foreign units. The decision by IBM's South Korean unit to recognize the union defuses a tense standoff in which the union activists sharpened their anti-American rhetoric as the dispute dragged on for several months.

The activists' demands included a "Koreanization" of IBM Korea Inc. — that is, making it more independent of its U.S. parent — and more transfers of IBM technology to South Korean companies.

The accord comes as Motorola Inc., one of the largest U.S. employers in South Korea, remains deeply embroiled in a bitter conflict with workers seeking to form a union at its wholly owned unit in Seoul. The labor activists at Motorola Korea Ltd., which employs about 4,000 people, charge that the company has suspended union organizers, harassed workers seeking to join the union and formed union-busting gangs that used iron pipes and cattle prods to beat up the union organizers.

The company has denied the union-busting charges.

The disputes at Motorola and IBM have appeared to inflame anti-American sentiment in South Korea, where 43,000 U.S. troops serve as a symbol of America's controversial role in the nation. Unionism and nationalism have converged to pressure foreign concerns in the country over the past year. West European and Australian companies have been hit by labor unrest, but those disputes have not taken on the overt political overtones of some of the conflicts at U.S. companies.

A protest rally at IBM Korea's headquarters Thursday — which apparently helped spark an overnight bargaining session that led to the accord Friday — served as a reminder of the sensitive political issues underlying the question of union recognition.

About 150 people participated in the rally, some of them shouting "Yankee Go Home." During a series of speeches given by IBM labor leaders in the lobby of the IBM building, the crowd frequently chanted such slogans as "This is Korean land — why are Americans ruling over it?"

A spokesman for IBM Korea refused to disclose details of the accord. But a union official said the company, which employs about 1,100 people, agreed to the demand of union recognition and agreed to provide the union with office space and allow union leaders to spend a total of 173 hours a month on union business.

In turn, 15 union organizers ended their 11-day hunger strike Friday and ended a monthlong sit-in at corporate headquarters.

The union, which claims 180 members among the approximately 700 IBM workers eligible for membership, also agreed to accept IBM's proposed salary levels for this year.

A formal accord is expected to be signed once details of the tentative pact are worked out

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ARROW: *British Company Ousts Chief Executive*

(Continued from first finance page)

in style that caused the board reshuffle. He said it would not be fair to say the differences concerned dissent within Manpower.

Analysts said Mr. Berry had felt that Mr. Fromstein was interfering with his plans to integrate and rationalize the group. But Mr. Fromstein had given Manpower eight years of solid profit growth and two-thirds of group profit came from operations he controlled, analysts said.

"I think this must be seen as a great relief in that it clears the air," said Mark Shephard of the brokerage Philips & Drew. "There had been intense speculation as to what is going on, a lot of unpleasant rumors of bids, breakouts, buyouts and so on."

Roger Hardman of the James Capel brokerage said, "Berry's staying on as nonexecutive chairman means that everybody knows where they stand. Fromstein is certainly in the driving seat and a management buyout is no longer a possibility."

Mr. Berry joined the entrepreneur Peter de Savary last year in a bid for the America's Cup yachting trophy under the Blue Arrow name.

Under Mr. Berry, Blue Arrow enjoyed spectacular growth, with profit rising from around £410,000 in 1984 to almost £30 million in 1986. It made a series of British takeovers, then went off the global stage in 1987 to win Manpower. But the rights issue to help pay for that coincided with the stock market collapse of October 1987.

The Department of Trade and Industry is investigating Blue Arrow's former investment bank adviser, County NatWest, over an alleged share support operation after the failure of the rights issue.

Mr. Berry has said that he did not know of County NatWest's share-building in his company at the time. His shareholding in Blue Arrow amounts to about 2 percent of the company and is worth an estimated £12.7 million at the current market price.

Blue Arrow is this month expected to announce its results for the year ending October 1988. Market forecasts for pretax profit range from £75 million to £90 million, below initial forecasts by brokers of £115 million.

The stock market barely reacted to news of the reshuffle, with Blue Arrow shares trading one penny lower at 90 pence by midafternoon, still less than half the levels reached before the October collapse.

Italian Bank Woos Germans

Reuters

MILAN — Credito Italiano is in the closing stages of negotiations to acquire a significant minority stake in an unnamed West German bank, a spokesman for the state-owned bank said Friday.

He said a conclusive meeting could take place around Jan. 20, adding, "We have reached the final stages."

The aim of the move is to expand the bank's activities in Munich, the spokesman said, but he gave no further details. He said the Italian bank could acquire 30 percent to 40 percent of the West German bank, adding that "our stake will be a minority one, but significant."

GEC: *European Ventures by British, U.S. Giants Mark Major Realignment*

(Continued from page 1)

hold in the Europe Community before 1992.

That year marks the deadline for the dismantlement of all EC trade barriers, a prospect that has triggered a wave of cross-border takeovers and joint ventures as multinationals scramble for market share.

"This is a very important step for GE in positing itself in Europe in a number of its traditional businesses, most importantly, home appliances," said Russell Leavitt, an analyst who follows GE for Salomon Bros. Inc. in New York.

GE reported 1987 revenue of $39.3 billion, dwarfing the $11 billion reported by GEC in the year ended in March 1988.

In Brussels, officials at the European Commission, the EC executive, said the body would informally examine the proposed joint ventures to ensure that they comply with EC competition law.

Mr. Welch said he hoped Europe, in the runup to 1992, will not submit to internal pressure to put up walls, in effect creating a Fortress Europe aimed at keeping U.S. or other foreign investment out of the deregulated community at a time when British companies, for example, have invested heavily in U.S. corporate acquisitions and joint ventures.

The GE chairman, who arrived in London on Tuesday and has held an uninterrupted string of talks with various British executives, said he came to London to "look at the cards" with a view to reaching agreement with GEC on an array of joint ventures. He said that for the past year "it has been our objective to form an alliance with GEC."

"But we didn't know where we stood when we arrived, he said. "And if we couldn't reach accommodation with GEC" then GE was prepared to weigh other options, including participation in the consortium, Metsun Ltd., that has been weighing a bid for GEC. The group is believed to involve Britain's Plessey PLC and France's state-owned Thomson SA.

Metsun indicated Friday that it had not lost interest in GEC, saying the link with GE "reinforces Metsun's view that a new direction is required at GEC."

But most analysts agreed the new arrangement diminished prospects of a bid. "The deal puts a spanner in the works for Plessey and Metsun," Judy Stewart, analyst at the brokerage Citicorp Scrimgeour Vickers, told Reuters.

The consortium, organized by the British merchant bank Lazard Brothers & Co., was announced last Saturday without details of membership. By late Friday, the group had yet to show its hand.

Plessey, a smaller domestic rival in military electronics and telecommunication, is facing a joint hostile bid launched in November by GEC and Siemens AG of West Germany, in what in recent months has come to be a major power-play among Europe's leading electronics groups.

"What people will be asking next is what GEC will attempt to buy," said Smith New Court's Mr. Styles, if GEC's joint bid for Plessey, valued at more than £1.7 billion, is allowed to proceed by British and EC antitrust regulators.

Mr. Welch said GE would be contributing around $1 billion worth of the group's European-based industrial assets to the three joint ventures. The £325 million would be a balancing sum.

He said cross-shareholdings between GE and GEC had not be discussed, nor had the issue of representation on each others' boards. GE and GEC's operations in the United States would be unaffected.

Lord Weinstock said GEC's contribution to the three new joint ventures being formed would total $1.3 to $1.6 billion in assets. He said that he was pleased that GE chose to penetrate the European market "with us and through us," at a time when other U.S.-based industrial powerhouses might choose hostile takeovers as a way into Europe.

American Telephone & Telegraph Co., for instance, is rumored to be weighing a role in the Metsun consortium.

But analysts said that wide-ranging industrial combinations with GE, on the heels of GEC's recently announced joint venture in power generation with the French conglomerate Compagnie Générale d'Electricité SA, now make Britain's leading electronics group virtually immune to a hostile takeover.

Much of GEC, outside its key military-electronics business, will be tied up in joint ventures, they noted.

Lord Weinstock denied that the deal was a defensive move to thwart Metsun. He said the agreement with GE marks "a further stage in GEC's strategic plan to expand its activities throughout Europe." He said GEC's industrial strengths have attracted leading international partners, such as Siemens in telecommunications, Compagnie Générale in power-engineering.

The link between GEC's power-generation unit and that of Compagnie Générale's Alsthom division would create a major company with sales of £4 billion. It is expected to be combined with GE's own power division in Europe to form a European gas-turbine company, in which the GEC-Alsthom group will be the majority partner.

Market observers, pointing out areas of compatibility earlier this week between GEC and GE, had had a sense that GE would want to acquire such businesses outright. GE, the argument ran, was a fast-growing, efficient company, while GEC under Lord Weinstock had long been criticized for failing to invest in new technologies and for insufficient takeover and joint-venture activity.

Mr. Welch dismissed such speculation, saying he considered the GEC management team to be "outstanding."

Under the terms of the GEC-GE agreement, the British group will manage two of the joint ventures.

The first is a 50-50 European household-appliances business, centered on refrigerators, washers and dryers, that will include GEC's Hotpoint and Creda operations, but not Osram-GEC Ltd., and to which GE will contribute its European product line as well as advanced technology. GEC European operations in consumer electronics are considerably larger than those of GE, analysts noted.

The other is a 50-50 electronic-controls business, focusing on circuit breakers and electrical panel boards, in which GE will merge its Italian-based Compagnia Generale Elettromeccanica SpA with GEC's Vynckier NV of Belgium.

In medical systems, where GE last year expanded its European presence by acquiring Thomson SA's medical-equipment business in exchange for the American group's television-manufacturing unit, GEC will merge its Picker's European medical equipment business with GE's Medical Systems Europe.

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Finland	F.M.	1,760	1,334	970	540
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Germany	D.M.	580	403	320	176
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Gr. Britain	£	135	102	74	41
Greece	Dr.	23,500	31,100	13,250	7,300
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Italy	Lire	360,000	295,200	200,000	110,000
Luxembourg	L.Fr.	11,000	7,200	6,000	3,300
Netherlands	Fl.	600	492	340	185
Norway (airmail)	N.Kr.	2,000	1,276	1,100	600
—**hand delivery	N.Kr.	2,500	776	1,400	700
Portugal	Esc.	26,000	32,240	14,300	7,900
Spain (airmail)	Ptas.	31,000	23,600	17,000	9,400
—***hd.del. Barcelona, Bilbao, Seville	Ptas.	31,000	21,780	17,000	9,400
—***hd.del. Madrid	Ptas.	46,800	—	23,400	11,700
Sweden (airmail)	S.Kr.	2,000	1,276	1,100	600
—**hd.del.	S.Kr.	2,500	776	1,400	700
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Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
[illegible]										

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
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(Continued on next page)

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(r) Futures $ 751.00
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(m) Alpha Global Fund $ 511.29
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APAX FINANCIAL CORP.
Maritime house, POB N-65, Nassau.
(m) Americapital NV. $ 92.34
BANK JULIUS BAER & CO. Ltd.
(d) Baerbond SF 957.08*
(d) Conbar SF 1786.00*
(d) Equibaer America SF 1448.00*
(d) Equibaer Europe SF 1415.00*
(d) Equibaer Pacific SF 1701.00*
(d) Stockbar SF 1986.00*
(d) SFR-BAER SF 1011.00*
(d) Swissbar SF 2351.00*
BAII MULTICURRENCY
(r) Multicurrency US$ $ 1,241.81
(r) Multicurrency Ecu ECU 1,130.40
(r) Multicurrency Yen Y 238,013.00
(r) Multicurrency FFR FF 10,890.55
BNP INTERFUNDS
(w) Interbond Fund $ 181.69*
(w) Intercurrency US$ $ 10.30
(w) Intercurrency DM DM 29.70
(w) Intercurrency Sterling £ 10.01
(w) Intercurrency Managed $ 10.31
(w) Interequity French Offer $ 14.06
(w) Interequity Pacific Offer $ 16.27
(w) Interequity N. Amer. Offer $ 11.73
(w) Interequity European Class $ 8.76
(w) Interequity Australia Cls. $ 10.32
(w) Interlux Capital Belgian LF 54,474.00
(w) Interlux Cap.Fr Securite FF 10,948.76
(w) Interlux Capital FFr FF 12,779.29
(w) Interlux Cap.France Cap. FF 10,730.41
(w) Interlux Cap. LUF/BEF LF L67,018.00
(w) Interlux Capital ECU ECU 1,219.36
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 26614
(w) Int'l Equity Fund (Sicav) $ 11.07
(w) Int'l Bond Fund (Sicav) $ 10.50
BANQUE INDOSUEZ
(w) Asian Growth Fund $ 25.30
(w) Asian Income Fund $ 9.15*
(w) Diverbond SF 85.55
(w) FIF-Internat. Div.A $ 17.69
(w) FIF-Internat. Div.B $ 18.04
(w) FIF Internat.America $ 14.14
(w) FIF Internat.Europe $ 25.95
(w) FIF Internat.Pacific $ 43.31
(w) France International FF 97.15
(w) France Blue chips No 1 FF 108,857.82
(w) France Blue chips No 2 FF N/C
(w) Indosuez Multibonds Div.A $ 128.17
(w) Indosuez Multibonds Div.B $ 268.82
(w) Indosuez Multibonds US$ $ 103.74
(w) Indosuez Multibonds DM $ 101.95
(w) Indosuez Multibonds YEN $ 10,133.00
(w) FIF Internat.Japan Y 1,067.00
(w) FIF Int. Nat. Res. A $ 10.16
(w) FIF Int. Nat. Res. B $ 10.16
(w) IPNA-3 $ 1120.00
(w) The Siam Fund $ 12.53
(w) Pacific Gold Fund $ 11.69
BANQUE PRIVEE E. DE ROTHSCHILD
(b) Cursitor BP Fixed Inc.Fund DM 101.94
(b) Cursitor BP General Fund DM 121.16
(w) Daiwa Lcf Equity $ 971.23
(w) Daiwa Lcf Int. Bond $ 1051.19
(b) Eagle Fund LF 10076.00
(b) Ecu D'Or ECU 97.84
(b) Governm. Sec. Fund= $ 76.14
(w) Isis Sicav FL 10221.0*
(w) Leicom $ 2114.00
(b) Opportunities Fund $ 822.46
(b) Priinop fund DM 46.39
(b) Prifirst $ 487.11
(b) Pri-Tech $ 1149.76
(w) Renta Plus BF 5515.00
(!) Select. Horizon Dev. FF 51388.44
(!) Select. Horizon FF FF 54565.71
(b) Source Sicav $ 11.11
(b) Star Conv.Fund FL FL 9945.00
(b) Star Conv.Fund USD $ 97.18
BANQUE SCANDINAVE EN SUISSE-GENEVA
(w) BSS Bond Fund SF 76.73
(w) BSS Intelsec. SF 1583.54
(w) BSS Int'l Bond $ 1.210
(w) BSS Int'l Equity $ 1.915
B.F.A.C.M.
(w) Ecu Multiplacement ECU 1149.68
BROADGATE INTERNATIONAL FUND
(d) $ Money Market $ 11.80
(d) Non-$ Money Market DM 29.49
(w) $ Bond $ 12.09
(w) Non-$ Bond DM 31.24
(w) Global Equity $ 16.07
(w) Global Bond $ 12.91
(w) Global Bond & Equity $ 13.15
(w) Prec. Mets/Min. Secs $ 6.52
B.W MANAGED ASSETS CY, SICAV
(!) Global Bond Fund ECU 10.55
(!) European Securities Fund ECU 11.40
(!) French Securities Fund FF 113.94
(!) North American Secu.Fund $ 9.72
(!) Pacific Basin Secu. Fund $ 10.01
CAISSE CENTRALE DES BANQUES POP.
(d) Fructilux-Obl.FSES FF 5,470.59
(d) Fructilux-Obl.Euro ECU 1,024.91
(w) Fructilux-Act.Fses FF 4,725.07
(w) Fructilux-Act.Euro ECU 1,101.28
(d) Fructilux-Tresorier FF 5,434.36
CALLANDER
(w) Callander Emer. Gr. $ 94.73
(w) Callander Fund-Asset $ 101.12
(w) Callander Fund-Span. Ptas 10,052
CAPITAL INTERNATIONAL
(w) Capital Int'l Fund $ 80.78
(w) Capital Italia SA $ 22.48
CIC GROUP
(d) Oblicic Monetaire FF 10830.74
(d) Oblicic Court Terme FF 11168.36
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citinvest Liquidity $ 1231.62
(d) Citinvest Ecu Income ECU 1248.40
(d) Citinvest Manag. Growth $ 1117.90
(d) Citi.Mana.Growth Euro ECU 980.52
(d) Citinvest Profit Sharing $ 925.35
(d) Citinvest Selector $ 888.75
(d) Citinvest Guardian $ $ 1036.42
(d) Citinvest Guardian Euro ECU 1072.59
CITITRUST
(w) US. $ Equities $ 194.03078
(w) US. $ Bonds $ 11.15344
(w) US. $ Money Market $ 11.79831
(w) Global Equities $ 9.67
(w) Global Money Market $ 11.05
(w) Global Bonds $ 11.04
CCF - GAMMA
(w) CM Actibonds $ 36.87
(w) CM Gold Prec Met $ 4.98
(w) CM Global Growth $ 11.53
(w) CM North Amer Grth $ 7.84
(w) Elysees Court Terme FF 56,052.29
(w) Elysees Long Terme FF 53,013.25
(w) Elysees Monetaire FF 56,440.46
(d) Europe Prestige Fund ECU 9.89
(w) European Smlr Cos. Fd.A ECU 11.28
(w) European Smlr Comp.Fd.B ECU 11.28
CODEVALOR SICAV
(w) C.Rendement Fr.Suisse SF 1978.82
(w) C.Rendement US$ $ 1426.67
(w) C.Croissance Dollar $ 1432.04
(w) C.Croissance Zone Sterling £ 807.34
COMPASS INTL. HOLDINGS Ltd.
POB 455, Jersey 0534 27267
(w) Bond:Dollar Medium Term $ 10.24
(w) Bond:Ecu Multicurrency ECU 10.01
(w) Equity:United Kingdom £ 9.75
CREDIT SUISSE (ISSUE PRICES)
(d) CSF Bonds SF 80.00
(d) Bond Valor Swf SF 106.10
(d) Bond Valor US-DOLLAR $ 114.48
(d) Bond Valor D-mark DM 112.50
(d) Bond Valor Yen Y 10,722.00
(d) Bond Valor £ Sterling £ 97.30
(d) Convert Valor Swf SF 159.40
(d) Convert Valor US-DOLLR $ 167.83
(d) CSF International SF 122.25
(d) Actions Suisses SF 524.75
(d) Europa-Valor SF 209.25
(d) Energie-Valor SF 142.25
(d) Canasec SF 617.00
(d) Ussec SF 631.00
(d) Pacific-Valor SF 241.75
(d) CS Gold Valor $ 151.50
(d) CS Ecu Bond A ECU 100.75
(d) CS Ecu Bond B ECU 115.42
(d) CS Gulden Bond A FL 100.34
(d) CS Gulden Bond B FL 111.58
(d) CS Prime Bond 'A' DM 104.43
(d) CS Prime Bond 'B' DM 104.42
(d) CS Short-T. Bd DM A DM 97.48
(d) CS Short-T. Bd DM B DM 109.84
(d) CS Short-T. Bd $ A $ 95.44
(d) CS Short-T. Bd $ B $ 108.19
(d) CS Money Market Fund $ 1347.61
(d) CS Money Market Fund DM 1191.44
(d) CS Money Market Fund £ 1289.99
(d) CS Money Market Fd Yen Y 112,992.00
DIT INVESTMENT FFM
+(d) Concentra DM 37.41
+(d) Int'l Rentenfond DM 81.84
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 9209797)
(w) Finsbury Group Ltd $ 160.70
(w) Winchester Capital $ 106.49
(w) Winchester Holdings FF 137.04
(w) Winchester Holdings $ 14.31
(w) Winc.Holdings Ltd.E.B.S ECU 1109.46
(w) Winc.Reserves.E.B.S ECU 1064.10
(w) Winc.Reserv.MultiGvBd. ECU 11.72
(w) Worldwide Securities $ 28.31
(w) Worldwide Special $ 674.78
(m) Winch Fut.Diversified $ 17.81
(m) Winch Fut.Orion Series $ 22.29
(m) Winchester Frontier $ 157.87
(m) Winchester Recovery Ltd $ 92.26
EBC TRUST CO.(JERSEY) LTD.
1-3 Seale St., St. Helier, 0534-36331
EBC AMRO TRADED CURRENCY FUND.
@(d) Inc.: Bid. $ 14.28 Offer. $ 14.636*
@(d) Cap.: Bid. $ 19.48 Offer. $ 20.085
INTERNATIONAL INCOME FUND
(d) Short Term 'A' (Accum) $ 1.2184
(d) Short Term 'A' (Distr) $ 0.7916
(d) Short Term 'B' (Accum) $ 1.5142
(d) Short Term 'B' (Distr) $ 1.0806
(w) Long Term $ 29.45*
ELDERS INTL. MGMT. SERVICES INC.
W. Ratter, President (212) 573-0440
(d) EFF $ 292.88
(d) ESP $ 113.89
(d) EMU $ 99.02
(d) EMR $ 102.12
ELDERS SWITZ.(038) 24 79 79
(w) Elders Inl Bid SF 99.25 Offer SF 105.25
(w) Elders Aus Bid A$ 88.75 Offer A$ 93.00
EQUIFLEX LIMITED
(w) Europe A FL 9.78
(w) Global A FL 10.91
(w) North America A FL 9.47
ERMITAGE MGT. CAYMAN LTD.
P.O. BOX 2192, Grand Cayman, BWI
(w) GAM Ermitage Ltd. $ 22.59
Euro Pacific Advisers Ltd.
(w) Comete $ 812.41
(w) Meteore Y 118,930.00
(w) Pacific Horizon Invt. Fd $ 1686.40
F&C MGMT. LTD. INV. ADVISERS
1, Laurence Pounty Hill, EC4. 01-623-4680
(w) F&C Atlantic $ 16.75
(w) F&C European $ 32.03
(w) F&C Oriental $ 78.00
(w) F&C N. American M C Fd $ 8.51
(w) F&C Nordic Fund $ 10.44
FIDELITY POB 670, Hamilton Bermuda
(m) Fid. Amer. Val.II Com. $ 83.52
(m) Fid. Amr.Val.II Cum.Pref. $ 100.50
(m) Fid. Amer. Val.III Com. $ 41.14
(m) Fid. Amr.Val.III Cum Pref. $ 100.54
(d) Fidelity Amer. Assets $ 104.08
(d) Fidelity Australia Fund $ 15.32
(d) Balanced Portfolio-hedged $ 11.38
(d) Balanced Portfolio-unhedg $ 10.07
(d) Fidelity Discovery Fund $ 15.87
(d) Fidelity Dir. Svgs.Tr. $ 156.29
(d) Fidelity Far East Fund $ 65.46
(d) Fidelity Frontier Fund $ 18.64*
(d) Fidelity Global Ind. Fd $ 12.72
(d) Fidelity Global Selct Fd $ 11.08
(d) Fidelity Int'l. Fund $ 13.03
(d) Fidelity Orient Fund $ 96.57
(d) Fidelity Pacific Fund $ 327.62
(d) Fidelity Sect. Growth Fd $ 30.67
(d) Fidelity World Fund $ 61.49
FIDELITY PERFORM PORTFOLIOS LTD.
(d) American Portfolio $ 0.86
(d) Dollar Liquidity Portfolio $ 10.09
(d) European Portfolio $ 1.29
(d) Global Convs. Portfolio $ 0.90
(d) Hard Curr. Liquidity Ptfl. $ 9.11
(d) Intl. Bond Portfolio $ 0.95
(d) Intl. Equity Income Ptfl. $ 0.98
(d) Japan Portfolio $ 1.31
(d) Recovery Portfolio $ 0.95
(d) South East Asian Portfolio $ 0.84
(d) Sterling Liquidity Ptfl. £ 10.14
(d) U.K. Portfolio £ 1.01
FOKUS BANK A.S. 472 428 555
(w) Scanfonds Int'l growth fd $ 1.50
FORBES PO 8887 GRAND CAYMAN
London Agent 01-839-3013
(w) Forbes High Inc. Gilt Fd £ 49.50
(w) Gold Income $ 5.62
(w) Gold Appreciation $ 4.99
GAIA CURRENCY HEDGE FUNDS
(w) Gaia Hedge I $ 91.15
(w) Gaia Hedge II $ 122.31
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel.41-1-2516640
(w) GAM (CH) America SF 1073.00
(w) GAM (CH) Mondial SF 1226.00
(w) GAM (CH) Pacific SF 1369.00
GARTMORE FUND MANAGERS INT.
45,La Motte Street, JERSEY 0534 27301
CAPITAL STRATEGY FD. LTD.
(d) Sterling Deposit £ 1.007*
(d) US$ Deposit $ 1.058
(d) DM Deposit DM 5.134
(d) Yen Deposit Y 513.80
(d) Sw. Fr. Deposit SF 5.104
(d) Austr.Dollar Dep. fd A$ 1.100
(d) French Franc Deposit fd FF 10.47
(d) N. American $ 1.37
(d) Japan Y 592.00
(d) Pacific Basin Y 275.00
(d) International growth $ 2.68
(d) British £ 1.81
(d) Sterling Gilt £ 1.07*
(d) International Bond $ 1.34
(d) Yen Convertible bond Y 2648.00
(d) European Fund DM 4.52
(d) E.C.U. Fund ECU 1.04
(d) Australasian fund £ 0.30
(d) Canadian fund Can$ 0.85
(d) Emerging Markets Fund £ 0.87
(d) Global Resources Fund $ 0.71
GEFINOR FUNDS
London:01-4994171, Geneva:41-22355530
(w) East Investment Fund $ 1011.90
(w) Scottish World Fund £ 177.3640
(w) State St. American $ 230.28
GENERALE BANK
(see also Interselex Group)
(d) Rentinvest $ 27.62*
(d) Capital Rentinvest $ 119.74
(d) Rentinbel Distr. LF 9,786.00*
(d) Rentinbel Cap. LF 10,293.00
GLOBAL ASSET MANAGEMENT CORP.
PB 119, St Peter Port, Guernsey, 0481-28715
(w) FUTURGAM S.A. $ 162.38
(w) GAM ARBITRAGE Inc $ 221.90
(w) GAM AMERICA Inc $ 199.79
(w) GAM AUSTRALIA Inc. $ 135.67
(w) GAM ASEAN Inc $ 104.58*
(w) GAM BOSTON Inc $ 133.09
(w) GAM ERMITAGE $ 22.50
(w) GAM FAR EAST £ 126.39
(w) GAM FRANC-VAL Inc. SF 218.83
(w) GAM FRANCE Inc FF 1309.13
(w) GAM GLOBAL Fund $ 112.47
(w) GAM High Inc Unit Trust Inc £ 100.32
(w) GAM High Inc Unit Trust Acc £ 100.32
(w) GAM HIGH YIELd Inc. $ 104.74
(w) GAM HONG KONG Inc. $ 191.60*
(w) GAM International Inc. $ 149.91
(w) GAM JAPAN Inc. $ 391.17
(w) GAM Money Mkts. Fund $ 100.71*
(w) GAM Money Mkts. Fund £ 100.71*
(w) GAM Money Mkts. Fund SF 100.23*
(w) GAM Money Mkts. Fund DM 100.60*
(w) GAM Money Mkts. Fund Y 10,016.00*
(w) GAM N.AM. Unit Trust Inc. 115.19 p
(w) GAM N.AM. Unit Trust Acc. 127.01 p
(w) GAM Pacific Basin Fund $ 105.59
(w) GAM PACIFIC Inc $ 408.01
(w) GAM P.& C.Worldw.Inc. 171.21*
(w) GAM P.& C.World.Accu. 174.98* p
(w) GAM P.& C.U.K.Fd.Income 199.64 p
(w) GAM P.& C.U.K.Fd.Accum 204.95 p
(w) GAM Restr. Fd. Inc. $ 147.84*
(w) GAM Singapore/Malay Inc $ 124.67
(w) GAM Ster Eur Unit Trust Inc £ 103.31
(w) GAM Ster Eur Unit Trust Acc £ 103.31
(w) GAM Swiss Fr Spec Bond Fd SF 100.17
(w) GAM U.K.Spec Unit Tr. Inc. £ 123.88
(w) GAM U.K.Spec Unit Tr.Acc. £ 129.38
(w) GAM £ & Intl Unit Trust Inc £ 292.34
(w) GAM £ & Intl Unit Trust Acc. £ 297.81
(w) GAM Value Inc. $ 100.10
(w) GAM Worldwide Inc $ 387.33
(w) GAM Tyche S.A. Class A $ 163.79
(w) GAM U.S. Inc. $ 119.76
(w) GAM Whitehorn Fund Inc. $ 119.57
(w) GAM ut Inc. $ 201.87
(w) GSAM Composite Inc. $ 190.87*
(w) GSAM Int. Inc. U.S Ord. $ 106.47*
(w) GSAM Int. Inc.U.S Spe. $ 120.54*
(w) GSAM Interest Inc. SF 105.50*
(w) GSAM Interest Inc. £ 101.29*
(w) GSAM Interest Inc. DM 99.24*
(w) GSAM Interest Inc. Y 11,826.00*
G.T. MANAGEMENT PLC
(r) G.T. Applied Science $ 13.34
(d) G.T. ASEAN Fund $ 38.45
(d) G.T. Asia Fund $ 11.48*
(d) G.T. Australia Fund $ 32.46*
(d) G.T. Berry Japan Fund $ 32.56*
(w) G.T.Biotechn./Health Fund $ 7.90
(d) G.T. Bond Fund $ 16.32*
(d) G.T. Britain Fund £ 8.52
(d) G.T. Deutschland Fund $ 9.73
(d) G.T. Dollar Fund $ 16.63*
(d) G.T. Europe Fund $ 27.21
(d) G.T. Euro. Small Cos. Fund $ 24.46
(w) G.T.Global Small Cos.Fund $ 10.88
(w) G.T.Global Technology Fd $ 16.86*
(d) G.T. Hong Kong Fund $ 24.65*
(d) G.T. Honshu Pathfinder $ 9.32
(w) G.T. Investment Fund $ 10.78*
(w) G.T. Japan Sml Co.Fd $ 10.98*
(r) G.T. Nat Res. Fd Gold Class $ 7.60
(w) G.T. Newly Ind. Countr. Fd $ 23.20
(w) G.T. Select Dollar Bd Pfl $ 9.76
(w) G.T. Select Intl Bd Pfl. £ 9.26*
(w) G.T. Select Gilt Pfl. £ 8.96*
(r) G.T. Technology Fund $ 29.80
(d) G.T. U.K. Small Companies £ 10.01
(d) G.T. Univ.Growth Fund $ 10.25
(d) G.T. U.S. Small Companies $ 10.25
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
(d) Crossbow (Far East) SF 14.93
(d) CSF (Balanced) SF 34.72
(d) European Equity Fund DM 15.58
(d) Intnl. Bond Fund $ 12.76
(d) Int. Currency U.S.Manag'd $ 25.15
(d) ITF Fd (Technology) $ 19.44
(d) O'Seas Fd (N. AMERICA) $ 41.83
(d) Int. Currency U.S. $ 32.19
IAM, 2 Bd. Royal LUXEMBOURG
(d) Iam Flagship Fund ECU 96.17
(w) Iam Bonds Fund-France FF 532.78
(w) Iam Bonds Fund-Deutschl DM 209.40
(w) Iam Bonds Fund-Japan Y 10,970.00
(w) Iam Bonds Fund-Switz. FS 205.74
(w) Iam Bonds Fund-U.S.A $ 106.39
(w) Iam Bonds Fund-Europe ECU 109.59
(w) Iam Bonds Fund-Netherl. FL 213.64
INTERSELEX GROUP
(d) Int.America Fund $ 13.90*
(d) Int.Belgo Fund LF 3017.00
(d) Int.Europa Sicav LF 5727.00
(d) Int.Pacific Fund $ 1410.28*
(d) Int.World Fund $ 93.95*
JARDINE FLEMING, GPO Box 11448 Hg Kg
(d) J.F Japan Trust Y 12,449.00
(d) J.F Pacific Sec. Trust $ 27.53
(d) J.F Pacific Income Trust $ 87.71*
(d) J.F Hong Kong Trust $ 64.83*
(d) J.F International $ 12.57
(d) J.F European $ 9.16
(d) J.F Currency & Bond $ 16.16
LLOYDS BANK PLC, POB 438, Geneva 11
Mrs. C. Bertoletti.(22) 208611/ext. 2222
+(w) Lloyds Int'l Dollar $ 105.80*
+(w) Lloyds Int'l Europe SF 161.20
+(w) Lloyds Int'l Growth SF 213.70
+(w) Lloyds Int'l Income SF 283.80
+(w) Lloyds Int'l N. America $ 132.70
+(w) Lloyds Int'l Pacific SF 246.90
+(w) Lloyds Int'l. Smaller Cos $ 15.63
MAGNUM FUTURES FUND LTD.
(m) Sterling Class £ 5.01
(m) U.S Dollar Class $ 10.00
MERRILL LYNCH
(d) Dollar Assets Portfolio $ 1.00
(d) First Convertible Sec. Fd $ 11.20
(d) Iberia portfolio $ 9.57
(d) Multi-Curr. Bond Portfolio $ 13.41
(d) U.S.A Income Portfolio $ 9.15
(d) US Federal Securites $ 9.59
(d) World Nat Res Pfl. Share A $ 9.48
(d) World Nat Res Pfl. Share B $ 9.61
MIM BRITANNIA,POB 271, St. Helier, Jersey
(d) Int.High Income $ 2.571*
(d) Dollar Man.Curr $ 14.68*
(d) Dollar Man. Port $ 1.970
(d) Sterling Man.Port £ 1.556
(d) Pioneer Markets $ 2.306
(d) U.K. Growth £ 0.919*
(d) Amer. Inc. & Growth $ 1.294*
(d) Gold & Prec. Metals $ 0.986*
(d) Sterling Man. Curr. £ 17.18
(d) Japan Dollar Perf. Fd $ 4.191
(d) Jersey Gilt £ 0.195
(d) Okasan Global Strat $ 16.15*
(d) Asia Super Growth Fund. $ 10.72
NIMARBEN
(w) Class A $ 121.03
OBLIFLEX LIMITED
(w) Multicurrency $ 19.87
(w) Dollar Medium Term $ 14.68
(w) Dollar Long Term $ 13.74
(w) Japanese Yen Y 28.14
(w) Pound Sterling £ 14.67
(w) Deutsche Mark DM 12.71
(w) Dutch Florin FL 12.97
(w) Dutch Florin Multi. FL 10.19
(w) Swiss Franc SF 11.45
(w) Swiss Multicurrency SF 11.72
(w) European Currency ECU 11.84
(w) Convertibles $ 10.04
(w) Swiss Multi-dividend SF 9.94
PARIBAS-GROUP
(d) Belux Fund LF 10,619.00
(d) Cortexa International $ 112.86
(d) Ecupar ECU 1,331.94
(d) Far East Growth Fund $ 154.42
(d) Luxor $ 9.17
(d) Paroli-Fund $ .5
(d) Parerupe Growth $ 18.25
(d) Parinter Fund $ 210.76
(d) Par US Treas. Bond 'Cl. B' $ 139.59
(d) Europhenix FF 1,264.28
(d) Parinter Bond Fund $ 13.67
(d) Obli-Franc FF 1,165.57
(w) Obli-dm DM 1,215.57
(w) Obligestion SF 92.55
(w) Obli-Dollar $ 1,191.22
(w) Obli-Yen Y 107,259.00
(w) Obli-Gulden FL 1,054.24
(w) Parsuisse SF 1,347.50
(w) Parjapan Y 3,202.00
PERMAL GROUP
(m) Drakkar Growth $ 1626.22
(m) Nascal Ltd $ 1084.70
(m) Select Equities Ltd $ 899.30
(m) Special Opportunities Ltd $ 1629.09
(m) Value N.V. $ 1909.13
PIERSON,HELDRING & PIERSON N.V.
POB 243,1000 AE Amsterdam (20-211188)
(w) Asia Pac. Growth Fd N.V. $ 40.90
(w) DP Amer. Growth Fd N.V. $ 21.86
(w) DP Energy Resources $ 33.90
(w) Europe Growth Fund N.V. FL 49.24
(w) Japan Diversified Fund $ 58.29
(w) Leveraged Cap Hold $ 267.55
(w) Tokyo Pac. Hold. (Sea) $ 176.79
(w) Tokyo Pac. Hold. N.V. $ 242.28
PUTNAM
(d) Emerging Hlth Sc. Trust $ 13.26
(d) Putnam Em. Info. Sc. Tr $ 11.75
(d) Putnam Int'l Fund $ 10.07
ROBECO GROUP
POB 973, Rotterdam (10-4650711)
(d) Robeco FL 101.60
(d) Rolinco FL 98.00
(d) Rorento FL 61.20
(d) Rodamco FL 157.90
ROYAL B. CANADA,POB 246,GUERNSEY
+(w) RBC British Fund Ltd. £ 4.92*
+(w) RBC Canadian Fund Ltd C$ 13.63*
+(w) RBC European Fund £ 11.07
+(w) RBC Far East&Pacific Fd $ 34.03
+(w) RBC Int'l Capital Fd $ 47.85
+(w) RBC Int'l Bond Fund Ltd. $ 12.03
+(d) RBC Man.Currency Fd $ 38.06
+(w) RBC North Amer. Fd $ 13.91
ROYAL TRUST ASSETMIX FUND
Lux.Tel.: (352)489061
EQUITY FUNDS
(d) Alpha UK £ 1.01
(d) Alpha US$ $ 1.02
(d) Alpha Worldwide SF 5.00
(d) Alpha Japanese Y 994.00
(d) Alpha Pacific Rim $ 1.00
(d) Alpha European ECU 1.01
(d) Gold Share $ 1.00
BOND FUNDS
(d) Sterling Pound £ 99.51
(d) US$ Bond US$ 98.76
(d) Deutschmark Bond DM 50.13
(d) Alpha Worldwide SF 49.93
RESERVE FUNDS
(d) Sterling Reserve £ 10.14
(d) US$ Reserve $ 10.04
(d) Deutschmark Reserve DM 10.03
SHEARSON LEHMAN HUTTON
(d) Offshore Multiple Opps. $ 9.72
OFFSHORE PORTFOLIOS (OP)
(d) OP Global balanced $ 10.91
(d) OP Precious Metals $ 9.46
(d) OP Global Bond $ 10.29
(d) OP US Share $ 10.40
(d) OP Global Equity $ 11.18
(d) OP Pacific Equity $ 10.36
(d) OP Euro Equity $ 10.64
(d) OP US Govt Securities $ 10.28
(d) OP Global Money Market $ 9.76
(d) OP US Money Market $ 10.00
INTERNATIONAL PORTOFOLIOS (IP)
(d) IP Global Balanced $ 10.98
(d) IP Precious Metals $ 9.10
(d) IP Global Bond $ 10.26
(d) IP US Share $ 10.76
(d) IP Global Equity $ 11.16
(d) IP Pacific Equity $ 10.60
(d) IP Euro Equity $ 10.60
(d) IP US Govt-securities $ 10.28
OFFSHORE SHORT-TERM INVEST. (OSI)
(d) OSI Deutsche Mark $ 9.05
(d) OSI Japanese Yen $ 9.60
(d) OSI Pound Sterling $ 9.53
(d) OSI US Dollar $ 10.00
(d) OSI Managed Currency $ 9.90
(d) OSI Canadian Dollar $ 10.44
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
(w) Equity Intl Acc $ 10.72
(w) Equity Intl Inc $ 10.35
(w) Equity Global $ 0.96
(w) Equity Far East $ 1.62
(w) Equity Gold $ 0.86
(w) Equity Japan Y 112.00
(d) Equity Nordic $ 0.98
(d) Equity U.K. £ 0.97
(d) Equity Continental Europe $ 0.97
(d) Equity Mediterranean $ 0.97
(d) Equity North America $ 0.97
(w) Bond Intl Acc $ 7.89
(w) Bond Intl Inc $ 7.01
(w) High Income Acc $ 1.02
(w) High Income Inc $ 1.00
(d) DEM DM
(w) Multicurrency $ 1.0807
(d) FRF FF 1.00
SOCIETE GENERALE GROUP
(w) Sogelux Fund
(w) Sogelux Bonds A $ 10.86
(w) Sogelux Bonds B DM 21.25
(w) Sogelux Bonds C FF 82.42
(w) Sogelux Bonds D SF 20.00
(w) Sogelux Bonds E £ 7.73
(w) Sogelux Bonds F Y 1615.00
(w) Sogelux Bonds G ECU 11.15
(w) Sogelux Bonds H $ 11.24
(w) Sogelux Bonds J BF 536.00
(w) Sogelux Equities K $ 10.18
(w) Sogelux Equities L ECU 10.51
(w) Sogelux Equities M YEN 1515.00
(w) Sogelux Equities P $ 10.17
(w) Sogelux Equities Q $ 9.38
(w) Sogelux Equities R $ 10.53
(w) Sogelux Short Term S FF 106.11
(w) Sogelux Short Term T ECU 10.42
SVENSKA HANDELSBANKEN S.A.
146 bd de la Petrusse, L-2330 Luxembourg
(b) SHB Bond Fund $ 41.20
(w) Svenska Select.Fd Intl Sh. $ 46.91
(w) Svenska Select.Fd America Sh $ 9.99
(w) Svenska Select.Fd Asia Shares $ 9.15
SWISS BANK CORP. (ISSUE PRICES)
(d) AmericaValor SF 399.25*
(d) AngloValor £ 161.22*
(d) Dollar Bond Selection $ 138.33
(d) D-Mark Bond Selection DM 125.28
(d) Ecu Bond Selection ECU 107.39
(d) Florin Bond Selection FL 127.26
(d) FranceValor FF 1649.46*
(d) GermaniaValor DM 441.26*
(d) ItalValor Lit 464,531.00*
(d) Japan Portfolio SF 409.75*
(d) SBC US$ MMF $ 5412.14
(d) SBC 100 Ind.-Fd. CH SF 1025.00
(d) Sterling Bond Selection £ 112.43
(d) Swiss Foreign Bond Selec SF 112.75
(d) Swissvalor SF 362.50*
(d) Universal Bond Select. SF 77.75*
(d) UniversalFund SF 121.79*
(d) Yen Bond Selection Y 12,184.00
THORNTON MANAGEMENT LTD.
(d) Thornton Int opps.fund $ 2.06
(d) Pacific Invt. Fd. S.A. £ 8.93
(d) Pac.Invt. Warrants Fd.S.A. £ 3.93
(d) Thornton Kangaroo Fd Ltd. $ 10.57
(d) Thornton European Fund $ 6.53
(d) Thornton HK & China $ 12.53
(d) Thornton Japan Fund Ltd $ 24.87
(d) Thornton Orient.Inc. Fd Ltd $ 19.25
(w) Thornton Phil. Redev. Fd $ 32.87
(d) Thornton Tiger Fund Ltd $ 22.55
(d) Thor.Pacific Tech.Fd Ltd $ 11.78
(d) Thor.Litl. Dragons Fd Ltd $ 13.65
(d) Thor.Golden Opport.Fd $ 6.96
(d) Eastern Crusader Fund $ 6.55
(w) The Global Access Fund $ 9.69
TYNDALL INT'L GUERNSEY LTD
Tel.0481 27963
(d) High Yield Bond £ 71.50
(d) Morunouchi £ 68.80
(d) Hi Inc Gilt & Bulldog £ 104.7
(d) Gilt £ 479.50
(d) Wall Street £ 196.6
(d) Far Eastern £ 500.7
(d) 1992 £ 220.5
(d) Mad Currency-Stlg £ 105.6
(d) Mad Currency-Dollar £ 1.391
(d) Eurobond £ 28.04
(d) Tiger £ 32.81
(d) Amer Spec Sits £ 37.93
(d) Overseas £ 24.59
(d) Mortgage C$ 12.49
UEBERSEEBANK, ZURICH
(d) B-FUND SF 987.30
(d) M-FUND SF 1057.58
(d) M-Distribution SF 100.19
UNION BANK OF SWITZERLAND
(d) Bond-Invest SF 65.50*
(d) DM-Invest bonds DM 212.50
(d) ESPAC Spanish sh SF 193.00*
(d) Fonsa Swiss Sh. SF 185.50
(d) Francit French Sh. SF 190.50*
(d) Germac German Sh. SF 183.50*
(d) Globinvest sh. SF 106.00
(d) SFr.-Invest bonds SF 207.50
(d) Sima (stock price) SF 257.00*
(d) UBS Money Mkt Inv. £ 5056.19
(d) UBS Money Mkt Inv. $ 2038.83
(d) Yen-Invest bonds SF 1108.08
UNION INVESTMENT Frankfurt
(d) Unirenta DM 38.40
(d) Unifonds DM 28.40
(d) Unirak DM 74.25
(d) Unizins DM 112.29
THE UNIVERSAL GROUP OF FUNDS
(m) Canada Gtd-Mortgage Fd. C$ 12.05
(d) Univers Sav Amer C$ 9.22
(d) Univers Sav Equity C$ 11.74
(d) Univers Sav Global C$ 5.17
(d) Univers Sav Pacific C$ 9.03
(d) Univers Sav Nat. Res C$ 6.06
VERYFINANCE LIMITED
PB122 St. Peter Port, Guernsey, 0481-26641
(w) The Islamic Mgmt Fund Ltd. $ 1045.02

Other Funds

(r) Acticroissance $ 80.95
(d) Actifinance Intl $ 985.91
(w) Actigestion FF 1099.68
(w) Activest Intl $ 19.79
(w) Actvabel FL 97.00
(w) Aquila International Fund $ 236.20
(b) Ariane $ 3,479.57
(d) Atlas Fund SF 114.55
(r) Australia Fund $ 15.83
(w) Authority bond shares $ 10.82
(w) Authority growth shares $ 10.30
(d) Bahamas Superfund $ 902.00
(b) Bias Manad Bond Fund $ 173.08
(d) Berg Norden Sicav $ 120.77
(d) Berg Trust Sicav $ 105.30
(w) Bergen Int'l Fund $ 10.54
(d) Bever Beleggingen++ $ 25.50
(m) Boner Currency & Int. $ 99.58
(w) Bondselex-Issue Pr. SF 124.50
(d) Cash Gestion FF 9582.78
(d) CB German Index Fund DM 104.87
(m) Cleveland Offshore Fd. $ 33.88
(w) Columbia Securities FL 92.30
(w) Convert. Fd. Int'l A Certs $ 18.60
(w) Convert. Fd. Int'l B Certs $ 58.91
(w) Cumber Intl N.V. $ 285.93
(w) Daiwa Japan Fund Y 9791.00
(w) D.G.C. $ 157.74
(w) DIVERSIF. BOND FUND $ 100.88
(d) D-mark-Baer Bond Fd DM 1071.00*
(d) Dollar-Baer Bond Fd $ 1095.00*
(d) D. Witter Wld Wide Ivt Tst. $ 22.66
(d) Dreyfus America Fund $ 14.06
(d) Dreyfus Fund Int'l. $ 54.51
(w) Dreyfus Intercontinent $ 53.04
(w) Esprit Sicav ECU 1027.50
(d) Europe Obligations ECU 73.32
(w) Fairfield Int'l Ltd. $ 122.50
(w) First Eagle Fund $ 29,462.40
(w) F.I.T. Fund ff FF 105.94
(d) Fonditalia $ 71.48
(w) Fonselex Issue Pr. SF 186.15
(d) Forexfund Limited $ 8.64
(w) Formula Selection Fd. SF 65.22
(d) Frankl-Trust Effekten Fd DM 139.21
(d) Frankl-Trust Interzins DM 41.89
(w) George V INV. BOND F. $ 18.22
(d) Green Line France FF 598.74
(w) Haussmann Hldgs. N.V. $ 236.89
(w) Health 2000 Ltd $ 9.43
(w) Hestia Funds $ 127.53
(w) Horizon Fund $ 1855.27
(w) Ibex Holdings Ltd. SF 157.60
(w) IFDC Japan Fund $ 362.20
(r) ILA-IGB $ 6.51
(r) ILA-IGS $ 9.97
(m) IncAmerica N.V. $ 13.23
(m) IncAsia N.V. $ 10.65
(w) Interecu Fund ECU 1181.70
(w) Interface Fund Ltd. $ 132.11
(d) Interfund SA $ 34.38
(w) Intermarket Fund $ 358.81
(r) Int'l Securities Fund $ 26.08
(w) Intersec SA $ 3210.83
(d) Investa DWS DM 59.85
(r) Invest Atlantiques $ 14.80
(r) Italfortune Int'l Fund SA $ 40.83
(m) Japan Selection Asses. Y 9,473.00
(w) Japan Selection Fund $ 226.50
(w) Japan Pacific Fund $ 324.70
(w) Kleinwort Bens. Jap. Fd. $ 257.63
(d) KML-II High Yield 01/12/88 $ 1024.97
(d) Korea Growth Trust $ 40.25*
(w) LACO International $ 6.53
(d) Llaulboer $ 1666.00
(m) London Portfolio G'td. I. $ 100.00
(w) Luxfund $ 96.82
(m) Lynx Sel.Holdings SF 107.21
(m) Maro Ltd. $ 48.99
(d) Mediolanum Sel. Fd. $ 36.07
(w) ML-Mor Lev H Yld. $ 10.12
(d) NCA FUND $ 11.14
(w) Nippon Fund $ 109.00
(m) NMT Asian Sel. Portfolio $ 163.03
(w) NMT Citadel Bond Pft. SF 106.22
(m) NMT Nostec Portfolio s/s $ 91.55
(d) NM Inc. & Growth Fund $ 15.55
(d) Nomura-Cap Int Eq Fd $ 12.15
(d) Nordmix Lit 10554.00
(m) NSP F.I.T. $ 250.12
(m) Oppenheimer U.S.Arb. $ 117.57
(m) Overlook Perfor. $ 1074.80
(d) Pacific Nies Fund $ 10.85
(w) Pancurri Inc. $ 106.42
(w) Prosp. I.H.Inc.P.F.01/06/88 $ 9.95
(w) Protected Perfor. Fund $ 0.72
(w) Quantum Fund N.V. $ 12070.18
(d) Rentinvest LF 1165.30
(w) Rep.(Guernsey) Del. Inc. fd $ 9.32*
(w) Samurai Portfolio SF 301.60
(d) Sanyo Kle.Spain Fd $ 10.02
(d) Sarakreek Holding n.v.+++ $ 37.80
(d) SCI/Tech. SA Luxembourg $ 18.20
(w) Spectrofund Ltd. $ 16.39
(w) SP International S.A. $ 4242.14
(d) Stella Fund $ 675.00
(d) Strat Int'l Gold Fund S.A. $ 8.63
(w) Sussex Silverman $ 816.00
(w) Techno Growth Fund SF 66.28
(d) Templeton Glob Inc. $ 10.29*
(m) THC(O.T.C) Jap.Id Sicav $ 9.70
(w) Transco Gold Mine Inv. $ 3.93
(w) Transpacific Fund $ 266.60
(w) Trans Europe Fund FL 66.32
(w) Tudor B.VI Futures.LTD $ 2857.30
(d) Turquoise Fund $ 199.69
(w) Tweedy,Browne n.v.CLA $ 3344.61
(w) Tweedy,Browne n.v.CLB $ 1831.64
(m) Tweedy,Browne (U.K.) n.v. $ 1320.09
(d) Unico Inv.Fund DM 72.75
(d) Unico Equity.Fund DM 56.91
(d) Uni Bond Fund $ 1730.72
(r) Uni Capital Fund $ 1628.52
(d) Univers Bonds DM 126.62
(d) Usdvka Fund Ltd. $ 224.20
(w) Vanderbilt Assets $ 16.32
(d) Vesper Flux BF 8292.00
(w) Victoria Holdings Ltd $ 8859.40*
(w) Willerbond Capital $ 13.58
(d) World Fund S.A. $ 22.67
(d) World Balanced Fund S.A. $ 10.90
(m) Zweig Int'l Ltd $ 78,475.00

A$ - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; = - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

Floating-Rate Notes

Jan. 13

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
Alaska Finance Ju/01	8.538	17-01	99.65	99.75
Alberta 93	9.453	13-06	100.15	100.25
Alb Perp	9¾	22-05	85.80	86.80
Alb Perp Cap	9¾	28-01	82.00	83.00
American Express 97	9¾	31-03	98.45	98.70
Amex Sub 06Mar99	9½	04-04	97.75	98.00
Anz Perp	8.838	28-04	82.12	82.62
Anas 98	9¾	16-06	100.05	100.10
Bci 98	9.4	08-06	98.20	98.45
Bca Di Napoli 97	8¾	13-02	97.95	98.20
Bca Di Napoli 91	8¾	09-05	99.31	99.41
Bca Di Roma Jun01	9.452	28-06	97.87	98.12
Bca Santo Spirito 93	8¾	31-03	99.25	99.35
Bk Ireland Perp	9¾	08-03	82.25	83.25
Bk Montreal 91	8¾	28-04	99.65	99.90
Bk Nova Scotia 85	9¼	24-02	76.00	77.00
Bk Scotland Perp	9¾	16-05	88.75	89.25
Bankers Trust 80	9½	13-03	98.30	98.55
Bif Capital 96	9¼	16-02	99.45	99.70
Bbl Int 93(Mthly)	9¾	21-04	99.12	99.37
Bbl Int 01	9.675	20-06	97.80	98.05
Ba Indosuez 97 New	9¾	22-05	98.37	98.87
Bice 97(Cap)	9¾	21-02	99.50	100.00
Bice Nov 94	8.918	18-05	99.86	99.96
Ba Indosuez 97 (Cap)	9½	21-02	98.75	99.25
Bnp 95	8¾	06-02	100.74	100.84
Bnp 97 (Cap)	8¾	23-01	99.25	99.75
Bnp 88/96	9¾	15-06	100.08	100.18
Bnp Perp	na.	23-03	90.00	90.50
Bnp 88/91	9¼	06-03	100.65	100.75
Bnp 05 (Mthly)	9¾	17-04	99.40	99.70
Ba Paribas Perp 1	9¾	13-03	93.00	93.50
Ba Paribas Perp 2	9¼	13-03	90.00	90.50
Barclays Perp Ser 1	9¾	05-07	91.00	91.50
Barclays Perp Ser 2	9¼	17-02	90.90	91.40
Barclays Perp Old	8¾	08-05	93.62	94.12
Barclays O/S 84	7¾	04-03	98.45	98.80
Belgium Jul96	8¾	27-01	99.95	100.05
Belgium Jul05		31-01	100.00	100.05
Belgium 96 (A)	9¾	-	100.40	100.70
Belgium 91	9	21-02	100.19	100.29
Belgium Oct94	8¾	26-04	99.75	99.85
Bergen Bk Perp	9¼	28-02	79.50	81.50
Cibc 2084	8¾	27-01	89.00	90.00
Cibc 2085	9¾	17-02	76.00	77.00
Carteret S+L 94	9¾	31-05	99.50	100.00
Carteret S+L Sept96	8¾	13-03	99.48	99.58
Central 97/00	8.913	15-05	99.25	99.35
Central Int 08/01/86	9¾	28-02	99.32	99.42
Centrust 92/95	9¾	05-04	99.93	100.03
Centrust 96	9.4	06-06	99.87	99.97
Centrust Sept 96	8.78	13-03	99.35	99.45
Chase 91	8¾	22-02	99.50	99.75
Chase Man Corp Oo	8¾	14-02	96.80	97.05
Chase Man 97	7¾	22-05	96.75	97.25
Chemical 99	9¾	31-01	97.20	97.55
Chemical Feb97	8¾	21-02	96.87	97.12
Chemical Oct97	9½	-	96.75	97.00
Christiania Perp	8¾	08-05	79.50	81.50
Citicorp 05	9.725	21-01	95.12	95.62
Citicorp Sept96	9¾	21-03	98.35	98.60
Citicorp Ptap 96	8¾	31-01	98.55	98.80
Citicorp Perp	8½	17-01	92.50	94.50
Citicorp Jan 98	9.7	31-01	98.15	98.40
Citicorp May98	9⅝	20-02	98.45	98.70
Citicorp Ptap 97	8¾	21-01	98.50	98.75
Citi Federal Aug93	9.55	28-02	99.60	99.85
Citizens S+L Mar96	8.963	08-03	99.93	100.03
Citi Federal Oct93	9.488	-	99.60	99.85
Cityied May 91	8.825	03-02	100.07	100.17
Colombia S+L 96	7¾	22-05	99.46	99.56
Comalco 93	9¾	28-03	99.92	100.02
Commerzbk Aug93	8¾	13-02	99.70	99.80
Common Bk Aust Perp	9.713	-	100.22	100.42
Commwlth Australia 98	9¾	30-05	100.00	100.10
Ccf 97 (Mthly)	9¾	31-03	99.74	99.84
Cr Du Nord 97	8¾	27-01	99.32	99.62
Credit Foncier Oct98	8¾	20-04	99.70	99.80
Cr Lyonnais 93/96	8¾	14-04	99.90	100.00
Cr Lyonnais 91/95	9¼	31-05	100.13	100.18
Cr Lyonnais 99	9¾	29-06	98.75	99.00
Cr Lyonnais Jan93/96	8¾	23-01	100.05	100.15
Cr Lyonnais 97 (Cap)	8¾	07-02	97.75	98.25
Cr Lyonnais 93	8¾	20-01	99.90	100.00
Cr Lyonnais 80	9¾	-	98.25	98.50
Cr Lyonnais Jun92/96	9¾	16-06	100.02	100.12
Csfb Perp	9¾	21-03	81.00	83.00
Dkb Frcd Jan89	9.25	30-06	99.90	99.95
Dkb Frcd Sept91	8¾	20-03	99.54	99.59
Den Danske Bank Perp	9¾	15-05	87.50	89.50
Den Norske Perp	9.15	24-02	79.50	81.50
Dnc Perp	9¾	21-02	79.50	81.50
Denmark Aug96	8.844	28-02	99.45	99.55
Dev Fin Corp Nz Perp	9¾	31-05	98.00	100.00
Dresdner Fin 93	8¾	21-04	100.40	100.50
Dresdner Fin 89	9¾	13-02	100.00	100.10
Dresdner Fin 92	9¾	28-02	100.25	100.35
Dresdner Fin Ex W191	8½	08-05	99.48	99.58
East River Aug93	9.55	28-02	99.83	99.93
Enel 00/05 (Mthly)	9¾	31-05	100.05	100.15
Enl 90	9¼	21-02	99.84	99.94
Elb Nov 96	8.588	09-05	99.57	99.67
Ferrovie May 97	9½	26-06	100.00	100.10
Ferrovie 94	9	27-02	100.30	100.40
Fid Fed Svgs Oct 92	8¾	31-01	99.85	100.35
R Flenning Perp	9¾	30-05	78.50	80.50
Ford 91	9¾	18-05	99.88	99.98
Fortune S+L 92	9¾	27-01	99.97	100.07
Fuji Bank Frcd Jan92	8.493	27-03	99.79	99.84
Fuji Bk Frcd June 91	9¾	25-06	99.69	99.74
Fuji Bk Frcd Aug91	8¾	28-02	99.69	99.74
Gzb Perp	9¾	16-05	87.00	89.00
Gt Amer'N 1St Sav 92	8¾	21-04	99.84	99.94
Hill Samuel Perp	9¾	31-05	87.00	88.00
Hong Kong Perp 1	9¾	17-02	81.12	81.62
Hong Kong Perp 2	9¾	08-03	80.75	81.25
Hong Kong Perp 3	9¾	-	80.37	80.87
Household Jun96	9.525	28-03	100.01	100.11
Hydro 02 (Mthly)	-	23-01	99.50	99.65
Hydro Perp	8¾	09-03	94.50	95.00
Hydro 05 Mthly	9¾	08-05	99.77	99.87
Ireland Jun98	9.38	14-06	99.45	99.75
Ireland Nov00	9¾	31-05	99.87	99.97
Ireland 97	9¾	28-02	99.98	100.08
Italy 85	9¾	30-01	100.07	100.17
Italy 80	9.531	21-06	100.07	100.17
Jp Morgan May97	9¾	22-02	99.85	100.10
Kleinwort Perp	9¾	31-05	80.00	81.00
Lintin 95	9¾	21-02	99.92	100.02
Lintin 01	9¾	14-06	99.90	99.96
Lloyds Perp 1	9¾	09-06	88.12	88.62
Lloyds Perp 2	9¾	21-03	88.12	88.62
Lloyds Perp 3	9.143	28-02	87.37	87.87
Midland Perp 1	8¾	21-04	84.25	84.75
Midland Perp 2	8¾	20-06	84.25	84.75
Midland Perp 3	9.538	13-03	84.37	84.87
Midland Frcd Feb 98	9¾	21-02	99.83	.03
Midland Int 99	9¾	09-03	98.70	98.95
Mitsubish Frcd Jan91	9¾	30-06	99.70	99.75
Mitsui Fin 97 (Cap)	9¾	30-01	98.87	99.37
Mitsui Fin 96	9¾	06-03	99.96	100.06
Mon Grenfell Perp	9¾	27-02	77.00	81.00
Jp Morgan Dec97	9.613	21-03	99.45	99.70
Nt Australia Bk Perp	8.838	11-04	82.00	83.00
Nat Bk Canada 87	9¾	28-02	76.00	77.00
Nat West Perp (A)	9¾	-	91.00	91.50
Nat West Perp (B)	9¾	13-02	91.00	91.50
Nat West Fin 85	8¾	21-04	98.00	98.25
Nat West Perp (C)	9¾	28-02	90.87	91.25
Nat West Fin Pp Old	9¾	15-05	93.75	94.25
New Zealand 88	8¾	21-02	99.92	100.02
New Zealand 01	8¾	04-03	99.75	100.00
New Zealand 96	9¾	06-06	100.10	100.20
Northeast Savings 96	8.708	18-02	99.73	99.83
Northeast Savings 95	9¾	19-12	100.00	100.10
Portugal Dec 93	9.425	08-06	99.80	99.90
Quebec Oct01	8¾	17-04	99.05	99.15
Queensland Mov96	8.988	15-05	99.79	99.89
Rio 94	9¾	28-02	99.92	100.02
Renfe Nov98	9¾	15-05	99.50	99.60
Rhonepoulenc Perp	9.75	16-06	90.00	91.00
Rothschilds Perp	9¾	28-03	79.00	80.00
Rbc 85	9¾	09-03	80.00	80.50
Rbc Perp	9¾	13-06	86.87	87.37
Royal Trst 89Sep2005	8.9	09-03	89.00	89.50
Saitama Bk Frcd 91	9¾	30-06	99.63	99.73
Santa Barbara Aug96	9¾	14-02	99.60	99.70
Santa Barbara Sept96	9¾	28-03	99.42	99.72
Sanwa Intl Jan 93	8.475	17-01	100.10	100.20
Sec Pacific 97	9¾	21-02	98.30	98.55
Soc Gen Tranche 1 96	8¾	16-03	99.16	99.26
Soc Gen Perp	9.325	30-05	88.87	90.37
Soc Gen Nov94	8¾	09-05	99.50	99.75
Std Chart Perp 4	9.713	06-07	79.75	80.75
Stand Chart Perp1 Mm	9¾	08-07	79.50	80.00
Stand Chart Perp3	9.4	08-06	79.50	80.50
Stand Chart Perp2	9	09-05	80.50	81.50
Ste Bk New Feb98	8¾	13-02	100.42	100.52
Sf Bk Victoria Perp	8¾	17-04	94.00	94.50
Taiyo Kobe 97 (Cap)	9¾	14-02	98.87	99.27
Taiyo 92/04	9¾	22-05	99.92	100.02
Taiyo Kobe Bk Jan 89	9¾	20-03	99.84	99.89
Tokugin 92/94	8¾	20-03	99.78	99.88
Tokugin 97 (Cap)	8¾	11-04	99.09	99.50
Uk Sept96	9¾	20-03	100.18	100.23
Verelsbnst July 91	8.525	25-01	99.80	99.90
Wells Fargo Sept97	9¾	28-03	98.90	99.15
Wells Fargo 92	9.725	21-01	99.78	99.95
Wells Fargo 80	9¾	31-01	99.38	99.55
Wells Fargo 94	9¾	13-03	98.62	99.12
Wells Fargo Feb97	9¾	14-02	98.55	99.05
Wells Fargo Jul96	9	14-02	98.65	98.90
Westpac Perp	8.963	30-03	82.12	82.62
Woodside Finance 97L	8¾	20-01	99.80	99.90
Woodside Finance 97F	9½	28-02	99.92	100.02
World Bk Perp	8.444	15-03	98.80	100.00
Yokohama 97 (Cap)	9¾	21-02	98.87	99.37

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Askd
Abbey Nat 91 Gb	12.88	21-03	100.00	100.05
Abbey Nat 93 Gb	13.25	05-04	100.01	100.06
Abbey Nat 92/80 Gb	12¾	17-01	100.01	100.06
All + Leic Nov 93	13¾	28-03	100.00	100.05
All + Leic Jul 94	12.14	22-01	99.83	99.88
All + Leic May 95	12.28	08-03	99.92	99.97
All + Leic Jul 93	13.21	30-01	99.40	99.76
All + Leic Sep 93	13¾	28-03	99.99	100.04
Anglia Jan 98	12¾	16-01	100.01	100.06
Anglia Sept6	13.06	23-03	99.77	99.82
Anz Bkg 97 Gb	12¾	28-03	100.26	100.36
Bk Montreal 94 Gb	13¾	20-03	100.08	100.18
Ba Indosuez 91 Gb	13¾	28-02	100.16	100.26
Belgium 94 Gb	12¾	-	100.07	100.11
B/Ham Midshires 96	13¾	21-03	99.86	99.91
Brad + Bing Apr 98 Gb	13¾	04-04	100.08	100.18
Bristol + West Oct92	12¾	24-01	100.08	100.15
Bristol + West Jul93		14-01	99.80	99.70
Britannia 93 Gb	13¾	10-04	99.99	100.04
Britannia 96 Gb	12.22	24-01	99.82	99.87
Brit Build Feb95		14-03	99.83	99.88
Cheft/Glaxes Mar94		28-03	99.72	99.77
Citicorp 89/91 Gb	12¾	21-02	99.95	100.05
Coop 00	12¾	23-01	99.88	99.98
Cr Foncier 00 Gb	13¾	-	100.26	100.36
Dorset Mort 1 Dec14	13¾	16-03	100.25	100.55
Ex Finance 1 15	13.61	28-03	100.20	100.40
Ferrovie 95 Gb	12.22	21-03	100.22	100.32
Halifax Oct 92	13¾	10-04	100.05	100.15
Halifax Feb96	12¾	23-02	100.03	100.08
Halifax May 94	12.28	08-02	100.02	100.07
Halifax Sept96 Tnch 1	13.08	31-01	99.82	99.87
Halifax Sept96 Tnch 2	12.53	28-03	99.44	99.49
Hmc No 01	13¾	30-03	100.14	100.34
Hmc No 02 Feb 15	12.58	23-02	100.25	100.45
Hmc No 03 Jul 15	12.363	-	100.25	100.45
Hi Oct 94	12¾	17-01	100.15	100.25
Hi Nov 94	13¾	13-02	100.05	100.15
Ireland 96 Gb	13¾	09-03	100.12	100.22
Leeds Perm Mar 96	13¾	16-03	100.00	100.05
Leeds Perm Oct 94	12¾	-	100.08	100.13
Leeds Perm B/S 96	13¾	14-03	99.91	99.96
Lloyds Euro 96 Gb	12¾	24-02	98.25	99.25
Mcc Fund No 1 Jul18	13.575	20-04	100.00	100.50
Midland Bk 01 Gb	12.88	13-02	97.00	97.50
Milk Mkt Bd 93 Gb	13¾	19-12	100.00	100.10
Mfc 2 Aug 2023	12.51	20-02	100.25	100.45
Mfc 1 Mar 2023	12.61	23-02	100.40	100.60
Mfc 1 Oct 2023	12.55	03-04	100.30	100.50
Tmc No 02 Nov 14	13¾	01-03	100.30	100.50
Tmc No 04 May 15	13¾	01-03	100.35	100.55
Tmc No 01 Sep 14	13¾	31-03	100.30	100.50
Tmc No 06 Oct 13	12.43	01-02	100.25	100.45
Tmc No 07 Nov 15	13.57	01-03	100.25	100.45
Tmc No 08 Dec 18	12.51	01-03	100.25	100.45
Tmc No 10 January 19	13.48	01-03	100.25	100.45
Tmc No 09 Feb 19	12.51	01-02	100.25	100.45
Mort Secs 1	12.42	21-03	100.20	100.40
Tmc No 11A Mar 2020	12.71	28-03	100.15	100.35
Tmc No 11B Mar 2020		30-03	100.15	100.35
Tmc No 11C Mar 2020		30-03	100.15	100.35
Tmc No 11D Mar 2020		30-06	100.12	100.32
Nhl Loan 13	13.36	31-03	99.98	100.18
Nhl 2 Oct 14	12.4	31-01	100.12	100.32
Nhl 3 Ov 14	13¾	28-02	100.10	100.30
Nhl 4 Oct 15	12.4	31-01	100.08	100.28
Nat Provincial Mar 96	13¾	22-03	99.97	100.02
Nat + Prov B/S 99		09-05	99.84	99.89
Nat/Anp Bld 14Jul98	12¾	16-01	100.00	100.10
Nationwide B/S Oct95	13¾	10-04	99.99	100.04
Nationwide B/S Jul96	12.13	17-01	99.88	99.93
Nationwide B/S Oct96	12.83	20-01	99.71	99.76
New Zealand 97 Gb	13¾	20-03	100.20	100.30
Northern Rock Oct95	13¾	18-01	99.91	99.96
Prudential 05 Gb	13.28	27-03	100.11	100.21
Resid No 1 May 18	12.6	20-02	100.28	100.48
Resid No 2 Jul 18	12.51	27-01	100.30	100.50
Rbs 05 Gb	12¾	09-02	96.00	98.00
Sncf 98/93 Gb	12¾	27-01	100.00	100.50
Stand Chart Perp Gb	13¾	30-03	80.80	81.80
Tmc No 03 Apr 15	12½	01-02	100.25	100.45
Tmc No 05 Sep 15	13.52	21-03	100.25	100.45
Woolwich B/S Nov 95	12¾	21-02	99.77	99.82
Woolwich B/S Jul 93	12¾	-	100.00	100.05
Yorkshire B/S Feb 94		18-05	99.92	99.97
Yorkshire 91/94 Gb	13¾	30-03	99.97	100.07

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Askd
Austria 98 Dm	5¾	28-02	100.27	100.37
Bk China Nov 93 Dm	5	08-03	99.50	99.75
Bk Greece 93/95 (Dm)	5¾	30-06	99.80	99.50
Bnp 92 (Dm)	5¾	27-06	100.08	100.25
Belgium 97 (Dm)	5¾	28-02	100.45	100.55
Cibc 95 (Dm)	5¾	31-05	98.25	98.75
Commerzbk 95 (Dm)	5¾	25-04	99.25	99.75
Comz Bk Dec 93	5¾	15-06	99.79	99.89
C.O.E. 95 Dm	5¾	12-04	100.07	100.17
Cred Foncier 96 (Dm)	5.156	16-01	100.72	100.82
Cic Mar 93 Dm	5¾	20-03	100.20	100.30
Dnc 96 Dm	4¾	-	97.00	98.00
Denmark Stars 96 Dm	5¾	28-02	100.00	100.50
Dy Bank 96 Dm	5¾	-	98.50	99.00
Dresdner Fin 98 (Dm)	5	24-02	100.07	100.17
Dresdner Fin 98 Dm	5 1/32	30-01	99.85	99.95
Eec 92 (Dm)	5¾	22-02	100.87	100.97
Elb 51/16 Dm	5¾	15-06	100.08	100.25
Elb Fin Nv 95 Dm			98.50	99.00
Ibj 95 Dm	5¾	31-05	99.80	99.50
Ireland Jul98 (Dm)	5¾	31-01	99.00	99.50
Ireland 97 (Dm)	5¾	16-01	100.10	100.20
Ireland Stars 96 Dm	5.55	30-05	98.80	99.20
Landes Kred Wort Dm	5¾	10-05	100.00	100.25
Malaysia 05 (Dm)	5¾	21-03	93.00	94.50
Midland 98 Dm			97.00	98.00
Mitsubishi 96 Dm	6¾	-	99.00	99.50
Montedison 95 Dm	5¾	-	99.50	99.75
Jp Morgan 95 Dm	5¾	28-04	99.25	99.75
Renfe 96 (Dm)	5¾	28-02	98.50	99.00
Rbc 95 Dm	5.344	16-02	99.37	99.87
Sec Pac 95 Dm	5¾	28-02	98.25	98.75
Sweden 97 (Dm)	5¾	06-06	98.25	98.75
Union Finland 96 Dm	5¾	31-05	100.32	100.42
Wells Fargo 95 Dm	5¾	10-04	99.00	99.25

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cal 97 Yen			100.08	100.50
Cr Foncier Aug97 Yen	5¾	28-02	100.10	100.40
Edf (Jpy) Nov94	4½	23-05	100.10	100.40

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
Roma 92 (Ecu)	7¾	08-02	99.50	100.00
Cr Foncier 96 (Ecu)	7.581	18-01	99.75	100.00
Cr National 95 (Ecu)	7¾	17-03	99.75	100.00
Eec 93 (Ecu)	7¾	31-01	99.90	100.00
Ireland 97 (Ecu)	7¾	28-04	99.90	100.00
Italy 92 Ecu	7¾	28-03	99.90	100.00
Ppcoro 19Sept 97 Ecu	8¼	28-02	97.50	98.50
Saabain Perp Ecu	7¾	24-04	92.80	95.00

Source: Credit Suisse-First Boston Ltd., London

CURRENCY MARKETS

DOLLAR: *Stoltenberg Comments Push Currency Up*

(Continued from first finance page)

would not be on exchange rates, because the G-7 is happy with the dollar where it is, he said.

Instead, the G-7 will emphasize greater surveillance of the structural obstacles to economic growth such as financial market regulations and labor market rigidities.

He also said that, although the course of U.S. interest rates in the months ahead would influence West German rates, from a purely domestic point of view he saw no reason for the Bundesbank to tighten credit further now.

"Some people think there might be a slight lowering of interest rates" if these other factors are favorable, said Mr. Stoltenberg, who met Alan Greenspan, the Federal Reserve chairman, and Treasury Secretary Nicholas F. Brady while in Washington.

After Mr. Stoltenberg's remarks, the Fed intervened for at least the fourth time Friday, selling dollars for marks. The Fed sold dollars around 1.8425 marks, dealers said.

Earlier, the Federal Reserve and the Bundesbank sold dollars for marks, and other European central banks sold dollars and bought their own currencies while the dollar was already sliding in reaction to the U.S. economic data. The Bank of Canada also sold dollars for marks.

"The central banks waited for the figures and intervened with the trend, which makes the intervention more effective," said Timothy Fox of Barclays Bank Global Treasury Services. "In the long term they have become more astute."

The dollar slid from its peak on news that U.S. retail sales in December rose by 0.2 percent, below forecasts of around 1.0 percent and November's revised 0.9 percent rise.

The central bank intervention has made dealers more cautious about purchasing dollars, but bullish sentiment persisted.

The dollar's strength was especially evident against the mark, while its gains against the yen were more limited.

The dollar also rose to 1.5740 Swiss francs from 1.5578 francs at the Thursday close, and to 6.2653 French francs, compared with 6.2215 francs.

The pound closed at $1.7655, down from $1.7840 on Thursday.

In London trading earlier, the dollar closed firmer after a volatile session as the central banks acted in efforts to control its determined advance.

The dollar ended at 1.8300 DM, compared with 1.8255; and at 126.68 yen compared with 126.15 yen. It also closed at 1.5605 Swiss francs from 1.5555 francs and 6.2525 French francs from 6.2275 francs. The pound ended at $1.7815 from $1.7850.

"A lot of people still feel the dollar can carry on rising, though it looks as though it may be exhausting its upside potential," Mr. Fox said.

Profit-taking at the higher levels and central bank intervention kept the dollar from rising decisively above 1.84 marks, dealers said.

(UPI, Reuters)

London Dollar Rates

Closing	Fri.	Thu.
Deutsche mark	1.8300	1.8255
Pound sterling	1.7815	1.7850
Japanese yen	126.68	126.15
Swiss franc	1.5605	1.5555
French franc	6.2525	6.2275

Source : Reuters

Bank Warns Of Volatile Dollar, Rates

Reuters

NEW YORK — The dollar and U.S. interest rates are likely to become volatile by next year, or before, if the U.S. government fails to decisive steps to trim its budget deficit, Morgan Stanley & Co. said Friday.

Both interest rates and the dollar probably will surge, before rates drop and the currency tumbles, the investment bank said in a report.

"Only by deficit reduction can the U.S. facilitate international adjustment and achieve a soft landing — that is, a slowdown of real gross national product growth to 1 percent to 2 percent accompanied by stable interest rates and a relatively steady dollar," said John Paulus, chief economist.

Morgan Stanley said the surge in interest rates could occur as early as this year.

U.S. Treasury Weighs Abolition of Thrift Regulatory Board

Reuters

WASHINGTON — The Treasury Department may recommend that regulation of the troubled savings and loan industry be transferred to other agencies and that the Federal Home Loan Bank Board be abolished, a Treasury official said Friday.

The department also may recommend transferring deposit insurance at thrifts to the Federal Deposit Insurance Corp., which currently insures deposits at banks for up to $100,000, the Comptroller of the Currency, Robert Clarke, said in an interview.

The Treasury is considering the proposals to prevent a recurrence of the massive financial problems facing the thrift industry, said Mr. Clarke, who was asked by Treasury Secretary Nicholas F. Brady to stay on in the new administration.

Losses at thrifts could cost the Federal Savings & Loan Insurance Corp. $100 billion. Critics of the bank board have said inadequate supervision over savings and loans in the past contributed to the losses.

The Treasury has made no final decision but is getting close to a recommendation, which will be made to the president-elect, George Bush, within a couple of weeks, Mr. Clarke said.

The Treasury proposals are some of the most dramatic changes to be mentioned since mounting losses in the thrift industry have became a top priority for Congress and the new Bush administration.

A bank board official and a spokesman for the largest thrift industry trade group criticized the proposals.

Congress would have to approve the changes affecting the bank board, FSLIC, which insures deposits at thrifts, and FDIC, which insures deposits at commercial banks.

The FSLIC faces billions of dollars in liabilities from losses at savings and loan institutions, while the FDIC has about $15 billion in reserve.

The FDIC has said one possible reform could be a merger in which one agency would administer two separate funds, but FSLIC's liabilities would not be transferred to the FDIC.

The Treasury is also expected to recommend to Mr. Bush and Congress ways of providing new funding for FSLIC.

Mr. Clarke said that in addition to preventing a recurrence of the thrift crisis, the Treasury should take advantage of the opportunity to reform the financial services industry.

Banks currently are regulated by the FDIC, the comptroller and the Federal Reserve Board.

CALIFORNIA: *Military Cuts, Housing Problems Point to Slowdown*

(Continued from first finance page)

my, a research organization in Palo Alto. "This is a state that is very, very, very well-placed."

But the short-term outlook for some important industries is a bit dim. Through most of the 1980s, the arms buildup under the Reagan administration kept things bustling at the sprawling aerospace plants near Los Angeles and the gleaming electronics laboratories of Silicon Valley, south of San Francisco.

But military spending peaked two years ago, and many analysts believe that the incoming Bush administration, under pressure to trim the federal budget deficit and encouraged by warmer relations with the Soviet Union, will agree to deeper cuts in weapons research and production. That could cost tens of thousands of jobs in the state that gets the most Pentagon contracts.

California is also starting to have trouble attracting new businesses because of extremely high, and rapidly rising, land costs. Moreover, with demand for new homes declining as interest rates and real estate prices go up, many economists fear a sharp drop in construction. That could lead to widespread layoffs in an industry that has been among the state's most robust.

At the same time, California is being forced to confront the consequences of years of unbridled growth. Freeways have become increasingly clogged and municipal services are overburdened. Air pollution in Southern California remains the worst in the United States, by most measures, and plans to attack the problem more seriously are likely to cost billions of dollars.

California, of course, is subject to the same forces that influence the national economy, including inflation and the monetary policy set by the Federal Reserve Board. Most economists think a national recession is inevitable, although possibly not until next year.

California's economic growth rate was an average of 1.8 percentage points higher than the national rate from 1983 through last year, according to First Interstate Bancorp. For this year, however, the bank projected that the differential would narrow to six-tenths of a percentage point.

The state's growth will slow to 1.9 percent in 1989 from an estimated 5.1 percent last year, First Interstate projected.

The bank estimated that the national economy would expand 1.3 percent this year, a forecast much lower than most, after growing at an estimated rate of 3.9 percent in 1988.

The UCLA forecasting group projected that California's unemployment rate, which was estimated at 5.3 percent in 1988, would climb to 5.7 percent this year and 7 percent in 1990, putting it above the national figure for the first time in five years. First Interstate projected that growth in nonfarm employment, which was 4 percent in 1987 and 4.1 percent last year, would drop to 1.9 percent this year.

As its economy loses its edge, California will become less of a magnet to people seeking opportunities. Net migration to the state, which rose steadily in the 1980s and peaked at 385,000 in 1987, dropped to 335,000 last year and is expected to fall to 235,000 next year, the UCLA report said.

Some economists think a slowdown would actually help by reducing inflationary pressures and giving the state and local governments a chance to catch up with the demands of a growing population and an expanding business community.

"Maybe California is due for some slowing, which would be a very healthy thing," said Joseph Wahed, a senior vice president and chief economist at Wells Fargo Bank in San Francisco. "We're putting pressure on all our resources, on our cities and towns, and we don't have the revenue to meet all our needs."

Signs of the slowdown have begun to appear throughout the state. In aerospace, the state's largest industry, many companies are cutting back.

Hughes Aircraft Co., California's largest industrial employer, has trimmed its work force by 5 percent, to 78,000 people, since 1985. Rockwell International Corp., which employed 40,000 in California two years ago while producing the B-1B bomber, has cut back to 35,000 workers as the bomber program ended and no new aircraft contracts became available.

Northrop Corp.'s B-2 Stealth bomber program, which was expected to employ many of the former B-1B workers, will be slowed down and possibly scaled back because of Pentagon budget pressures. Lockheed Corp. and other aerospace manufacturers are producing at far less than capacity.

California is also starting to suffer from its high housing costs. In and around San Francisco and Los Angeles, and in such coastal cities as Santa Barbara, home prices rose at least 25 percent last year and are among the highest in the nation. In middle-class neighborhoods on the west side of Los Angeles, two- and three-bedroom homes routinely sell for more than $500,000, and prices are even higher in suburban Orange County.

The high real estate prices have driven up wages and made it difficult for companies to attract skilled workers from other regions. Indeed, some companies in other states have sought to lure workers through newspaper advertisements that compare housing costs. When recruiting aerospace workers, for example, Boeing Co. compares costs in the Seattle area with those in Southern California.

California faces other potential problems as well. For example, farmers are worried that the legalization of many illegal farm workers under the new immigration law could lead to labor shortages

Crucial sectors such as computers also face industrywide weakness, with some analysts predicting consolidation and layoffs at the weakest companies.

EC Cool to U.S. Trade Plan

Compiled by Our Staff From Dispatches

BRUSSELS — The European Community has given a cool response to a proposal made by a group of U.S. congressmen to set up a bilateral panel to arbitrate trade disputes between the United States and the community, an official said Friday.

A spokesman for the community's external relations commissioner, Frans Andriessen, said the group was "reluctant" about the plan.

The community was more interested in strengthening the procedures of the General Agreement on Tariffs and Trade, the Geneva-based international trade body that normally arbitrates in trade disputes, he said.

The spokesman, who asked not to be named, said the U.S. congressmen had discussed the issue with Mr. Andriessen on Thursday in Brussels. He said that the congressmen suggested the panel could arbitrate in what they called "relatively minor" disputes such as the current trans-Atlantic quarrel about the community's ban on hormones in beef.

In retaliation for the ban, the United States imposed 100 percent tariffs that will affect $100 million worth of trade in EC goods. The community will decide whether to take countermeasures at a meeting of its foreign ministers at the end of January.

In a separate development, a Brussels industrial lobby reported that the United States had launched an investigation into long-standing EC restrictions on the export of copper and copper alloy scrap from the community.

The probe began on Dec. 24, in response to a complaint from U.S. metal users that the curbs violated GATT codes. *(AP, AFP)*

ECONOMY: *U.S. Data Fall Short*

(Continued from page 1)

record $1.61 trillion, the biggest annual gain since a 9.8 percent increase in 1984, the Commerce Department said. Sales had increased by 5.1 percent in 1987.

Consumer spending is closely watched as a barometer of the economy's health because it represents two-thirds of the gross national product. The holiday season is particularly important because it can account for half of a general retailers' annual profits.

Sales by general merchandisers reached $15.76 billion in December, up 0.3 percent.

In the wholesale price report, excluding food and energy, prices for finished consumer goods jumped 0.7 percent in December after moving up 0.3 percent in November.

The 0.4 percent monthly increase in wholesale prices followed a 0.3 percent rise in prices in November and was the largest since a 0.5 percent jump in September, the bureau said. But the 4 percent gain in overall 1988 producer prices was nearly twice the 2.2 percent increase in 1987 — and was the largest since a 7.1 percent annual rate in 1981, according to government figures.

Food prices fell 0.1 percent last month, but advanced 5.7 percent overall last year after showing almost no change in 1987, the bureau said.

On the other hand, energy prices rose 0.2 percent in December but fell 3.4 percent during 1988, contrasting sharply with a 11.2 percent spurt in 1987.

Prices for finished goods other than food and energy rose 4.3 percent last year after a 2.1 percent gain in 1987. All monthly figures were adjusted for seasonal variations, the bureau noted.

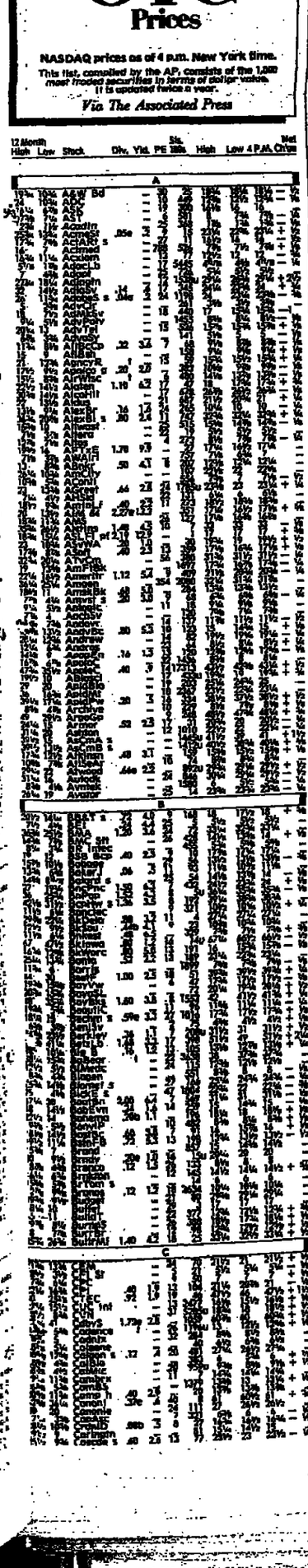
Among energy products, gasoline prices declined 3.5 percent in December, offsetting a comparable increase in November. Home heating oil prices rose sharply, 8.5 percent, after a larger 12.2 percent gain in November. *(AP, UPI)*

Friday's OTC Prices

NASDAQ prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

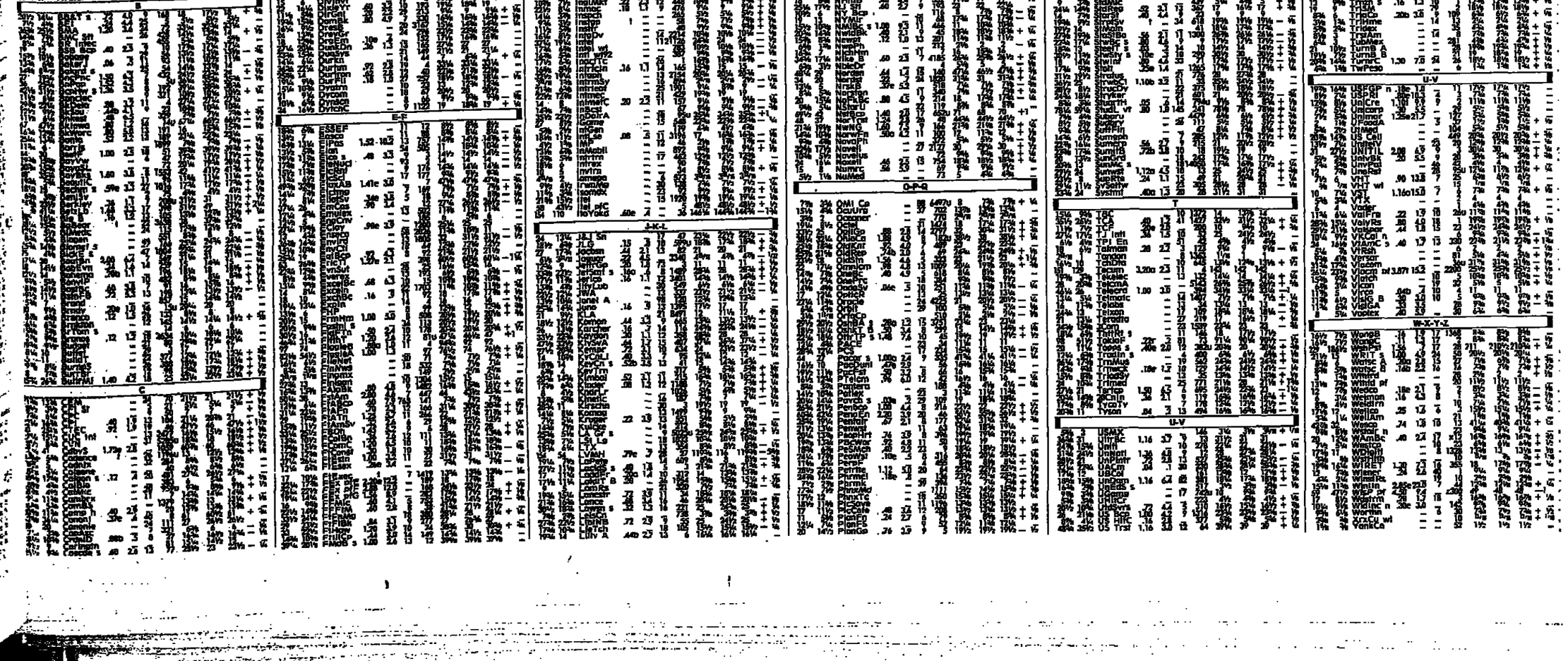
Via The Associated Press



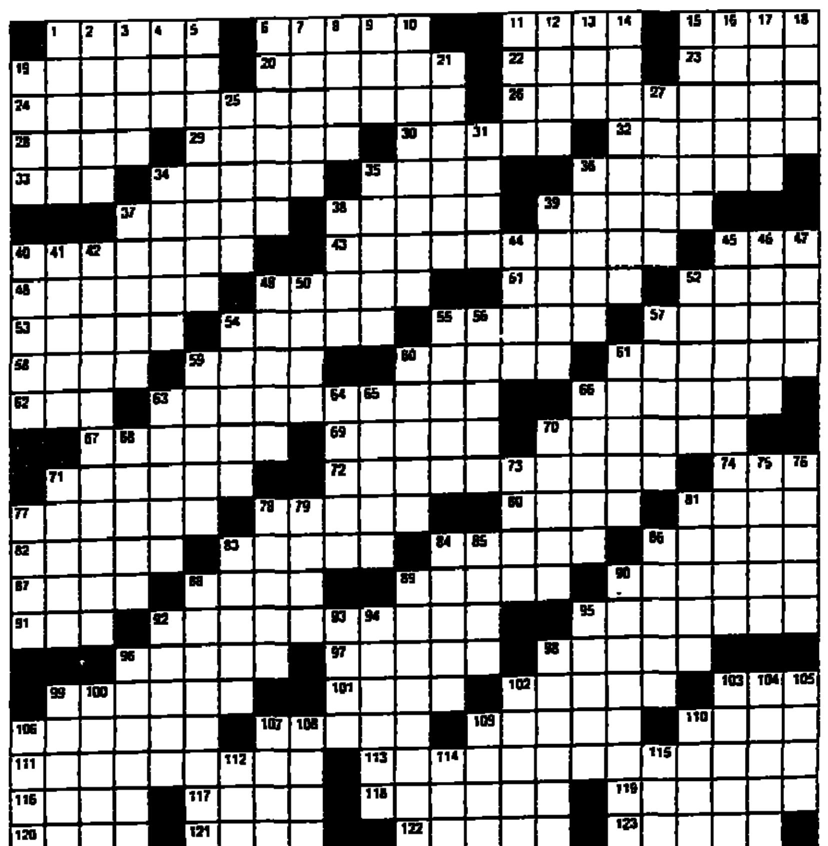
Friday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)



It Takes All Kinds... By Norma Steinberg



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36 Vernal harbingers
37 Fellowship
38 Cacophonous
39 Lot's hometown
40 Sifts
43 *He's in the museum*
45 Chew the fat
48 Dear
49 Peppermint or hamburger follower
51 Sci. dealing with currents
52 ——dieu (kneeling bench)
53 Shoe ties
54 Lords it over
55 Long hikes
57 Be miserly
58 Germanic exclamations
59 Lunkhead
60 Dense or mawkish
61 Jousting weapons
62 Danson or Knight
63 *He got a tax break*
66 Used a tumbrel
67 Withstand
69 D sharp
70 Dirt
71 Book of the Bible
72 *She's a go-getter*
74 Airport timetable info
77 Hits hard
78 Squamous
80 Is indebted
81 Zola's "The —— Shop"
82 Locales
83 Spin
84 Showy flower
86 Idaho's largest city
87 Cover person
88 Chum, sometimes
89 Perky rhythms
90 Wooden shoes
91 Erhard's gp.
92 *He's belligerent*
95 Paces
96 Penned
97 It has skits and songs
98 Lark
99 Dialects of regions
101 "Easy ——." of radio fame
102 Blackthorn fruits
103 "—— Love You," 1934 song
106 American wildcat
107 Ellington's "—— Doll"
109 Separate
110 Germ
111 *He's determined*
113 *She's hanging around*
116 "—— Smile Be Your Umbrella . . ."
117 Took off
118 —— de corps
119 "—— the Chief"
120 Brides in Barcelona
121 Takes home, as pay
122 Mill runs
123 Cries of surprise

DOWN

1 Dumbwaiter
2 Keys' cousins
3 Festive
4 —— et ubique
5 Carlyle's native land
6 Choose
7 Minos's realm
8 Foot part
9 Eng. ——
10 Hugeness
11 Paella ingredient
12 Responsibility
13 Revolutionary patriot-inventor
14 Orderly
15 Heat, for short
16 Easy basket
17 City on the Rhone
18 What Simon does
19 Yuppie degrees
21 Complaining bird?
25 Is inclined
27 He has nerves of steel
31 Charon's river
34 Uses a lever
35 Kinds
36 Peignoirs
37 Uses a telescope
38 Archibald of N.B.A. fame
39 Smooth
40 Chair-back piece
41 Harness strap
42 He's a sweetie
44 Micawber's boss
45 *She gives you a second chance*
46 Ventilated
47 Charpoys
49 Cocoon residents
50 Hardy villain
52 Loren's spouse
54 Bellows
55 Of sound
56 Like some dirt roads
57 Severe
59 Containers for oil
60 Taint
61 Sticks it out
63 Runs in neutral
64 Union activist Chavez
65 "I am monarch —— I survey": Cowper
66 Wendell or Jeff of films
68 Of birth
70 Frocks
71 Helen's kidnapper
73 Part of a yard
75 Discrimination
76 In —— (untidy)
77 Knight's aide
78 Effulgence
79 "—— Boy," Wouk story
81 Gillis of TV
83 Desires
84 Devout
85 Actress Sommer
86 Exposes
88 San Francisco, once
89 Trysters' hideaway
90 Elastic
92 Flag
93 Churlish child
94 Instructions for cooking
95 Infant fern
96 Author Cather and namesakes
98 Viewpoints
99 More frosted
100 Welty's "—— Wedding"
102 Like some ends
103 *Positive-thinking man*
104 Religious blocs
105 *Thought*: Comb. form
106 Boobooks and moreporks
107 Transmitted
108 Creative pursuits
109 Info at depots
110 Ferry's berth
112 Infinitesimal
114 What epigones do
115 Jazzman Winding

World Stock Markets

Via Agence France Presse Closing prices in local currencies, Jan. 13

Amsterdam

Stock	Close	Prev.
ABN Bank	44.40	44.30
ACF Holding	57.90	56.70
Aegon	93.10	92.40
Ahold	90.60	90
Akzo	150.40	149.70
AMEV	57.60	57.20
A'Dam Rubber	8.40	8
Amro Bank	81.50	81.20
Bols	143.50	143.20
Buhrmann Tett	61.40	59.60
BVG	7	7
Center Parcs	60	58.70
CSM	65.90	67
Elsevier	65.80	65.60
Fokker	30.10	29.60
Gist-Brocades	38.40	38.10
Heineken	150	148.50
Hoogovens	76	75.50
Hunter Douglas	82.60	81.60
IHC Caland	22.80	22.70
Int Mueller	79.50	77.90
KLM	43	42.60
KNP	48.20	47
Nat Neder	49.30	48.60
Nedlloyd	284	279
NMB Bank	196.30	196.80
Oce Grinten	300	287
Pakhoed	108	106.20
Philips	34.90	34.70
Robeco	101.90	101.10
Rodamco	157.90	157.90
Rolinco	98	97.50
Rorento	61.20	61.30
Royal Dutch	241.50	228.90
Unilever	122.90	121.50
Van Ommeren	34.90	34.30
VMF Stork	28.40	28.10
VNU	93.20	92.50
Wessanen	83.90	82.70
Wolters/Kluwer	156.20	154.50

ANP-CBS Gen'l Index : 297.30
Previous : 294.50

Brussels

Stock	Close	Prev.
Arbed	4475	4490
Bekaert	13975	13950
Cockerill	357	352
Cobepa	5690	5690
Delhaize	5050	5000
EBES	4750	4740
GB-Inno-BM	1384	1362
GBL	4120	4080
Gevaert	8200	8200
Hoboken	14650	15175
Intercom	3490	3490
Kredietbank	4550	4500
Petrofina	13950	13950
Royale Belge	5080	5070
Soc Gen Bque	6310	6300
Sofina	11875	11850
Solvay	13400	13425
Tractebel	8700	8700
UCB	9650	9450
Unerg	2780	2780

Current Stock Index : 5789.86
Previous : 5690.80

Frankfurt

Stock	Close	Prev.
AEG	198.50	199.20
Allianz Hldg	1915	1918
Altana	394	397.70
Asko Dt. Kfhs	732	732
BASF	287.90	289.50
Bayer	307.30	309.80
Bay. Hypo bank	398	393
Bay Vereinsbank	409	407
BBC	344	347
BHF-Bank	435	431
BMW	530	537.50
Commerzbank	249.80	247
Continental	269.50	272.50
Daimler-Benz	734.50	747
Degussa	409.90	399.30
Dt. Babcock	154.80	154
Deutsche Bank	574	575.80
Dresdner Bank	317	316.50
Feldmuehle	298	299.30
Harpener	430	438
Henkel	525	520
Hochtief	670.50	670.20
Hoechst	305.70	307.70
Hoesch	188.70	189
Holzmann	615	605
Horten	223	224
Hussel	459	461
IWKA	269	269
Kali + Salz	186.70	177
Karstadt	427	425
Kaufhof	414	414
KHD	132	134
Kloeckner Werke	133	134
Krupp Stahl	153	148
Linde	762	773
Lufthansa	155.80	155.50
MAN	247	243.80
Mannesmann	211.50	211.50
Metallgesell	379.50	385
Muench Rueck	2320	2340
Nixdorf	325	330
PKI	675	674.90
Porsche	634	625.50
Preussag	213.50	209.50
PWA	265	262.50
RWE	229.50	225.20
Rheinmetall	431.50	432
Schering	604.50	596
SEL	287	286.50
Siemens	545.50	549.70
Thyssen	194	193.50
Varta	344	341
Veba	277.80	278
VEW	169.30	169.20
Volkswagen	345	346.50
Wella	626.50	630

Commerzbank Index : 1694.70
Previous : 1698.70
FAZ Index : 565.12
Previous : 566.69

Helsinki

Stock	Close	Prev.
Amer A	158	159
Enso-Gutzeit	39.40	39.50
Finnish Sugar	69	69
K.O.P.	63	63
Kymmene	123	122
Nokia	127	129
Pohjola	240	248
Stockmann	158	159
Utd Paper	115	116
Wartsila	385	385

Unitas Index : 729.20
Previous : 729.80

Hong Kong

Stock	Close	Prev.
Bk East Asia	20.60	20.70
Cathay Pacific	9.40	9.45
Cavendish Int'l	3.40	3.35
Cheung Kong	8.75	8.80
China Light Pwr	14.70	15.10
Dairy Farm Int'l	5.95	6
Green Island Cem	19.70	19.90
Hang Lung Dev	5.80	5.90
Hang Seng Bank	29.90	30.25
Henderson Land	5.80	5.90
HK Air Eng.	15.70	15.50
HK China Gas	18.50	18.40
HK Electric Hdgs	7.35	7.50
HK Land	9.65	9.75
HK Realty Trust	5.30	5.35
HK Shang Bank	6.75	6.55
HK Shai Hits	5.95	6
HK Telecomm	5.25	5.35
HK-TVB	1.29	1.29
HK Yaumatei	N.A.	—
Hutch Whampoa	9.30	9.35
Hysan Dev	1.32	1.33
Jardine Math.	16	16.10
Jardine Strat Hdg	10.80	10.90
Kowloon Motor	9.10	9.10
Mandarin Orient	4.95	4.975
Miramar Hotel	7.75	7.80
New World Dev	13.70	13.90
SHK Props	13.50	13.70
Stelux	2.725	2.725
Swire Pac A	19.70	20
Tai Cheung Props	4.35	4.40
Wharf Hold.	9.30	9.40
Wing On Co	4.825	4.90
Winsor Ind.	8.45	8.80
World Int'l Hdgs	4.40	4.525

Hang Seng Index : 2843.98
Previous : 2879.33

Johannesburg

Stock	Close	Prev.
AECI	1525	1525
Altech	9800	9900
Anglo American	6500	6525
Barlows	2875	2900
Blyvoor	1400	1325
Buffels	4575	4550
GFSA	5800	5825
Harmony	2175	2225
Hiveld Steel	1040	1050
Kloof	3275	3250
Nedbank	760	765
Rusplat	4750	4700
SA Brews	2175	2200
St Helena	2750	2525
Sasol	860	850
Welkom	1825	1850
Western Deep	10800	10900

Composite Stock Index : 2097
Previous : 2095

London

Stock	Close	Prev.
AA Corp $	16½	16¼
Allied Lyons	458	453
Anglo Am Gd $	66¼	66¾
Ass Brit Foods	312	309
Asda-MFI Gp	134	132½
Barclays	428	423
Bass	840	840
B.A.T.	460	452
Beecham	494	493
Blue Circle	460	457
Boc Group	426	424
Boots	234	238
Bowater Ind.	422	420
British Aero.	473	472
Brit Airways	170	168
British Gas	160	159½
BP	256	257
British Telec.	264	266
BTR	310½	310
Burmah	496½	497
Cable Wireless	378	371
Cadbury Schw	339	338
Charter Cons.	455	455
Commercial U	355	351½
Cons Gold Fd	12¾	12 11/32
Cookson Gp	274	270
Courtaulds	287½	280
Dalgety	316	311
De Beers	11¼	11⅛
Dixons	135	135
Driefontein $	8⅝	8⅝
Fisons	244½	242
Free Gold $	7¾	7¾
Galway	169	167
Gen Accident	890	883
GEC	212½	215
GKN	312	309½
Glaxo	10 43/64	10¾
Grand Met	457	451
GRE	188½	185½
Guinness	339	333
Gus	16 3/32	16 3/32
Hanson	158½	158
Hawker	574	569
ICI	10 45/64	10 45/64
Jaguar	278	279
Land Sec	555	554
Legal and Gen	303	302
Lloyds Bank	341	334
Lonrho	328	325
Lucas	550	546
Marks & Sp	156	155
Maxwell Com	193	194
Metal Box	268	272
Midland Bank	428½	433
Nat.West.Bk	551	546
Pearson	680	669
P and O	561	545
Pilkington	216	222
Plessey	230	233
Prudential	156	155
Racal Elec	304	296½
Randfontein $	62	61
Rank	735	733
Reed Internat.	377	375
Reuters	557	555
Rolls-Royce	145	142½
Royal Dutch	45¾	44¾
RTZ	459	452
Saatchi	346½	346
Sainsbury	207	205
Sears Holding	116	113
Shell	347	346
STC	281	276
Std Chart Bk	514	508
Storehouse	195	189
Sun alliance	10 3/32	10 1/32
Tate and Lyle	850	846
Tesco	140	136
Thorn Emi	663	661
T.I. Group	385	371
Trafalgar Hse	305½	297
THF	261	259
Ultramar	294½	291
Unilever	469	470
Utd Biscuits	311½	313½
Vickers	167	165
War Loan 3½ %	39¾	39 7/32
Wellcome Gp	446½	433
Woolworth	254	245

F.T. 30 Index : 1519.70
Previous : 1511.90
F.T.S.E. 100 Index : 1862.10
Previous : 1858.90

Madrid

Stock	Close	Prev.
Banco Central	980	985
Banco Santander	918	923
Banesto	980	980
CEPSA	470	457
Dragados	472	458
Expl. Rio Tinto	232	228
Hidroelec. Esp.	89.25	89.75
Iberduero	120	120
Telefonica	187.75	186.75

General Index : 280.33
Previous : 277.87

Milan

Stock	Close	Prev.
Banco Comm	3640	3599
Bastogi	309	304
Cigahotels	4595	4624
CIR	5940	5965
Cred Ital	1865	1801
Eridania	5910	5906
Ferruzzi Fin.	3155	3051
Ferruzzi Agr.	1902	1873
Fiat	9937	9915
Generali	43500	43900
IFI	19550	19600
Italcem	12590	12610
Italgas	2220	2190
Italmobiliare	14910	14870
Mediobca	20355	20190
Montedison	2106	2074
NBA	1511	1492
Olivetti	9340	9390
Pirelli	3125	3090
RAS	43600	43910
Rinascente	5097	5058
Saipem	2799	2680
SIP	3035	3010
SME	3780	3760
Snia	2784	2775
Standa	19780	19800
Stet	3900	3900
Toro	22600	22260

a: x100.
MIB Index: 1012
Previous : 1007

Paris

Stock	Close	Prev.
Accor	613	612
Air Liquide	612	600
Alsthom Atl.	446	452
Av Dassault	458	453
Bancaire	570	570
BIC	842	847
Bongrain	3149	3143
Bouygues	655	663
BSN-GD	711	715
Carrefour	3425	3326
Cerus	Susp.	—
C.G.E.	431	415
Chargeurs	1226	1241
Club Med	575	570
Dumez	834	845
Elf-Aquitaine	414	402
Europe 1	690	701
Gen. Eaux	1636	1620
Hachette	317	318
Havas	723	726
Imetal	312.90	312.10
Lafarge Coppee	1545	1560
Legrand	3605	3585
Lesieur	2420	2430
Oreal (L')	4230	4325
L.V.M.H.	3885	3871
Matra	243.50	241.70
Merlin Gerin	3700	3710
Michelin	194	195.90
Moulinex	124	125.30
Occidentale	863	858
Paribas	491	491
Pernod-Ricard	1328	1325
Perrier	1615	1620
Peugeot	1435	1438
Printemps (Au)	636	663
Radiotechnique	641	658
Redoute (La)	3400	3399
Roussel Uclaf	1460	1463
Saint Gobain	611	610
Sanofi	800	800
Skis Rossignol	1168	1167
Societ. Generale	424	425
Suez	324	320.80
Telemecanique	Susp.	—
Thomson-CSF	236	235
Total	416	385.50
Valeo	636	648

Bourse trend index : — 0.83%
Previous : + 1.52%

Sao Paulo

Stock	Jan. 12	
Banco do Brasil	1500	1480
Bradesco	196	193
Brahma	201	185
Paranapanema	199	196
Petrobras	3,150	3,100
Varig	97	85

Bovespa Index : 38464
Previous : 37148

Singapore

Stock	Close	Prev.
Cerebos	6.25	6.05
City Dev.	3.10	3.10
DBS	8.25	8.40
Fraser Neave	7.30	7.30
Genting	5.90	5.85
Harrisons Plant	4.50	4.52
How Par	3.28	3.28
Hume	1.81	1.80
Inchcape	5.25	5.20
Keppel	3.16	3.12
KL Kepong	3.56	3.54
Lum Chang	1.08	1.09
Malayan Banking	4.80	4.74
OCBC	8.40	8.55
OUB	3.46	3.48
OUE	5.75	5.75
Sembawang	3.90	3.94
Shangri-la	7.20	7.20
Sime Darby	3.36	3.34
SIA	13.30	13.30
S'pore Land	7.90	7.75
S'pore Press	7.80	7.80
S. Steamship	1.92	1.93
S. Trading	3.36	3.36
UOB	5.30	5.20
United Overseas	1.46	1.49

Straits Times Ind. : 1099.17
Previous : 1095.31

Stockholm

Stock	Close	Prev.
AGA	220	220
Alfa Laval	485	485
Asea	405	408
Astra	263	249
Atlas Copco	291	296
Electrolux	300	301
Ericsson	284	288
Esselte	210	212
Handelsbanken	162	162
Pharmacia	198	195
Norsk Hydro	137.50	136
Saab-Scania	217	216
Sandvik	286	295
SCA	361	364
S-E Banken	180	182
Skandia Int	259	265
Skanska	429	431
SKF	433	433
Stora	322	322
SwedishMatch	140	140
Volvo	422	413

Affaersvaerlden : 1035.86
Previous : 1034.00

Sydney

Stock	Close	Prev.
ANZ	5.42	5.38
BHP	7.44	7.32
Boral	3.61	3.62
Bougainville	2.98	2.98
Coles Myer	9	8.94
Comalco	4	3.95
CRA	8.28	8.22
CSR	4.41	4.42
Dunlop	4.71	4.71
Elders IXL	2.88	2.78
ICI Australia	4.80	4.80
Magellan	2.30	2.30
MIM	1.74	1.75
Nat Aust Bank	6.50	6.46
News Corp	10.55	10.45
N Broken Hill	2.57	2.40
Poseidon	2.36	2.25
QCT Resources	1.12	1.13
Santos	3.50	3.42
Thomas Nation	3.78	3.78
Western Mining	5.14	5.02
Westpac Banking	5.50	5.44
Woodside	1.92	1.90

All Ordinaries Index : 1538.10
Previous : 1507.30

Tokyo

Stock	Close	Prev.
Akai	695	681
Asahi Chemical	1090	1100
Asahi Glass	2040	2080
Bank of Tokyo	1680	1710
Bridgestone	1420	1420
Canon	1550	1510
Casio	1360	1360
C.Itoh	1070	1070
Dai Nippon Print	2680	2680
Daiwa House	1990	1990
Daiwa Securities	2700	2640
Fanuc	6000	5970
Fuji Bank	3800	3770
Fuji Photo	3750	3740
Fujitsu	1560	1560
Hitachi	1680	1650
Hitachi Cable	1180	1150
Honda	2170	2160
Ito Yokado	4680	4600
Japan Air Lines	14900	14900
Kajima	1830	1840
Kansai Power	3480	3520
Kawasaki Steel	1020	1040
Kirin Brewery	1980	1980
Komatsu	982	975
Kubota	930	912
Kyocera	5110	5150
Matsu Elec Inds	2610	2590
Matsu Elec Wks	1780	1800
Mitsubishi Bank	3570	3570
Mitsubishi Kasei	1130	1080
Mitsubishi Elec	1130	1110
Mitsubishi Heavy	1180	1140
Mitsubishi Corp	1500	1500
Mitsui and Co	1060	1080
Mitsukoshi	2270	2270
Mitsumi	N.A.	1800
NEC	1990	1990
NGK Insulators	1180	1170
Nikko Securities	2180	2130
Nippon Kogaku	1270	1270
Nippon Oil	1570	1540
Nippon Steel	935	936
Nippon Yusen	997	994
Nissan	1280	1270
Nomura Sec	4060	4070
NTT	16400	16400
Olympus Optical	1130	1140
Pioneer	3370	3380
Ricoh	1310	1300
Sanyo Elec	797	795
Sharp	1120	1170
Shimazu	1280	1270
Shinetsu Chem	1880	1860
Sony	7420	7440
Sumitomo Bank	4050	4100
Sumitomo Chem	998	991
Sumi Marine	1370	1380
Sumitomo Metal	760	753
Taisei Corp	1270	1220
Taisho Marine	1390	1400
Takeda Chem	2780	2770
TDK	4780	4720
Teijin	858	850
Tokyo Marine	2300	2310
Tokyo Elec Pwr	7420	7250
Toppan Printing	3010	3020
Toray Ind.	938	935
Toshiba	[illegible]	[illegible]
Toyota	[illegible]	[illegible]
Yamaichi Sec	[illegible]	[illegible]

a: x100.
Nikkei 225 : [illegible]
Previous : [illegible]
New Index : [illegible]
Previous : [illegible]

Zurich

Stock	Close	Prev.
Adia	[illegible]	[illegible]
Alusuisse	[illegible]	[illegible]
Bank Leu	[illegible]	[illegible]
Brown Boveri	[illegible]	[illegible]
Ciba Geigy	[illegible]	[illegible]
Credit Suisse	[illegible]	[illegible]
Electrowatt	[illegible]	[illegible]
Georg Fischer	[illegible]	[illegible]
Hoffman R Baby	[illegible]	[illegible]
Interdiscount	[illegible]	[illegible]
Jacob Suchard	[illegible]	[illegible]
Jelmoli	[illegible]	[illegible]
Landis Gyr	[illegible]	[illegible]
Moevenpick	[illegible]	[illegible]
Nestle	[illegible]	[illegible]
Oerlikon-B	[illegible]	[illegible]
Pargesa Holding	[illegible]	[illegible]
Sandoz	[illegible]	[illegible]
Schindler	[illegible]	[illegible]
Sulzer	[illegible]	[illegible]
Surveillance	[illegible]	[illegible]
Swissair	[illegible]	[illegible]
SBC	[illegible]	[illegible]
Swiss Reinsur	[illegible]	[illegible]
Swiss Volksbank	[illegible]	[illegible]
Union Bank	[illegible]	[illegible]
Winterthur	[illegible]	[illegible]
Zurich Ins	[illegible]	[illegible]

SBC Index : [illegible]
Previous : [illegible]

Toronto Jan. 13

Canadian stocks via AP

Sales	Stock	High	Low	3 P.M.	Chg.
8402	Abti Prce	$19⅞	19½	19⅝	+ ⅛
33800	Agnico E	$13	11⅞	11⅞	— ⅛
71905	Air Canada	$8	7⅞	8	+ ⅛
4328	Alt Energy	$17¾	17½	17⅝	— ⅛
15004	Alta Nat	$16⅝	16⅜	16⅝	+ ⅛
64420	A Barick	$22⅛	21⅝	21⅞	
32637	Alco I f	$9⅞	9⅝	9⅝	+ ⅛
41178	BCED	340	320	340	+15
6268	BP Canada	$18⅞	18⅝	18⅝	— ⅛
138657	Bank N S	$14⅜	14	14⅜	+ ¼
8500	Baton	$13¾	13½	13½	
41360	BCE Inc	$37¼	37⅛	37⅛	— ⅛
11100	Bramalea	$26⅛	26⅛	26⅛	
7760	BC Phone	$28⅛	28	28	— ⅛
2000	Brunswk	$12⅛	12	12	— ⅛
289934	CAE	$11⅛	11	11	+ ⅛
500	CCL A	$11⅛	11⅛	11⅛	+ ⅛
596400	CCL B f	$12	11⅝	12	+ ¼
10850	Cambior	$12⅛	11⅞	12	+ ⅛
17500	Campeau	$16⅝	16½	16½	
900	C Nor West	$9	8⅞	9	+ ⅛
6116	C Packrs	$15⅛	15	15⅛	+ ⅛
405528	CI Bk Com	$24⅞	24⅝	24¾	
2900	CP Forest	$45⅝	45	45⅝	+ ⅛
257170	CP Ltd	$22⅝	22⅛	22⅝	+ ⅛
15580	CTire A f	$18⅛	18	18	— ⅛
250	C Util B	$19¾	19⅝	19⅝	
75000	Cantor	$28	27⅞	27⅞	— ⅛
940	Cara	$15⅝	15⅝	15⅝	— ⅛
2400	Celanese	$29⅝	28⅞	29⅝	
340	Cclanes 1 p	$22⅝	22½	22½	— ⅛
3063	Cntrl Cap	$10⅝	10⅛	10⅛	— ⅛
7067	Cineplex	$15⅛	14⅞	15	
200	Conwest A	$12¾	12⅝	12⅝	+ ⅛
277481	Corona A f	$8¼	7⅞	8¼	+ ⅛
200	Crownx	$12⅝	12⅝	12⅝	+ ⅛
61905	Denison A p	$5⅛	5	5⅛	+ ⅛
3171	Denison B f	$5	490	5	+15
300	Derlan	$12⅞	12¾	12¾	
3500	Develcon	155	145	155	
19300	Dickson A f	$5⅝	5½	5⅝	+ ⅛
900	Dickson B	$6	6	6	+ ⅛
2400	Dofasco	$28	27¾	27⅞	
20000	Donohue	$15	15	15	
200	Du Pont A	$25	25	25	
17559	Dylex A	$11½	11¼	11⅜	— ⅛
23700	Equty Svr A	395	385	395	+10
158197	Ficnbrdge	$28⅛	28	28⅛	
72277	Fed Ind A	$18	17⅝	17⅞	— ⅛
4600	Fed Pion	$13⅜	13⅛	13⅜	+ ⅛
300	F City Fin	$23⅝	23⅜	23⅜	+ ⅛
13137	Flet CCan A	$18⅝	18¼	18⅝	— ⅛
30250	Flet C Inv	$21⅛	20⅞	21⅛	+ ⅛
300	GE Canada	$16⅝	16½	16⅝	+ ⅛
500	Gibraltar	$11⅛	11⅛	11⅛	+ ⅛
12800	Goldcorp f	$5⅝	5⅝	5⅝	
100	Hawker	$23⅛	23⅛	23⅛	+ ⅛
23299	Hayes D	$13	13	13	+ ⅛
17200	Hees Intl	$26⅞	26½	26½	
81050	Hemlo Gld	$11⅜	11	11⅛	+ ⅛
12700	Hollinger	$15	14⅞	14⅞	— ⅛
982	H Bay Co	$26⅝	26	26	— ⅛
55121	Imasco L	$29⅝	29⅛	29⅛	— ⅛
4890	Inland Gas	$13	12⅞	13	
5830	Intl Thom	$15⅛	15	15⅛	+ ⅛
843	Interhome	$43⅝	43	43	— ⅛
3799	Ipsco	$19	19	19	+ ⅛
4000	Ivaco A f	$11⅛	11⅛	11⅛	— ⅛
30600	Jannock	$20⅞	19⅞	19⅞	— ⅛
500	Kerr Add	$21⅛	21⅛	21⅛	— ⅛
5200	Labatt	$21⅝	21⅝	21⅝	
2500	Loblaw Co	$11⅞	11¾	11¾	+ ⅛
51300	Lumonics	470	455	470	+10
52385	Mcana A f	$15⅛	14⅞	15	+ ⅛
54580	MDS H A	$23⅛	23	23⅛	
15186	Mclan H X	$13⅞	13⅝	13⅝	
4091	Maritime f	$15⅝	15⅝	15⅝	
1300	Mark Res	$9⅜	9	9⅛	+ ⅛
1000	Minnova	$22⅝	22⅛	22⅝	
5150	Molson A f	$28⅛	27⅞	28	— ⅛
1500	Molson B	$28⅛	28	28	— ⅛
1845	N-W Gr	470	455	460	— 5
49600	Noranda F	$15	14⅝	14⅞	— ⅛
256857	Noranda I	$25⅝	25⅛	25⅝	+ ⅛
42744	Norcen	$21⅛	20⅞	20⅞	
86611	Nova Cor f	$12⅝	12⅛	12½	— ⅛
8500	Nowsco W	[illegible]	[illegible]	[illegible]	[illegible]
23775	Oshawa A f	[illegible]	[illegible]	[illegible]	[illegible]
11615	PWA Corp	[illegible]	[illegible]	[illegible]	[illegible]
1300	PanCan P	[illegible]	[illegible]	[illegible]	[illegible]
158796	Placer Dm	[illegible]	[illegible]	[illegible]	[illegible]
1000	Que Sturg o	[illegible]	[illegible]	[illegible]	[illegible]
32200	Rayrock f	[illegible]	[illegible]	[illegible]	[illegible]
12694	Redpath	[illegible]	[illegible]	[illegible]	[illegible]
101777	Renaissnc	[illegible]	[illegible]	[illegible]	[illegible]
1694	Rogers A	[illegible]	[illegible]	[illegible]	[illegible]
3118	Rogers B f	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Roman	[illegible]	[illegible]	[illegible]	[illegible]
4300	Rothmans	[illegible]	[illegible]	[illegible]	[illegible]
21699	RyTrco A	[illegible]	[illegible]	[illegible]	[illegible]
33100	Sceptre R	[illegible]	[illegible]	[illegible]	[illegible]
57300	Scotts f	[illegible]	[illegible]	[illegible]	[illegible]
107958	Sears Can	[illegible]	[illegible]	[illegible]	[illegible]
39795	SHL Systm	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Shell Can	[illegible]	[illegible]	[illegible]	[illegible]
37980	Sherritt	[illegible]	[illegible]	[illegible]	[illegible]
43175	Southam	[illegible]	[illegible]	[illegible]	[illegible]
7869	Spar Aero f	[illegible]	[illegible]	[illegible]	[illegible]
37347	Stelco A	[illegible]	[illegible]	[illegible]	[illegible]
36400	TCC Bev	[illegible]	[illegible]	[illegible]	[illegible]
569	Teck Cor A	[illegible]	[illegible]	[illegible]	[illegible]
152996	Teck B f	[illegible]	[illegible]	[illegible]	[illegible]
46481	Tex Can	[illegible]	[illegible]	[illegible]	[illegible]
4250	Thom N A	[illegible]	[illegible]	[illegible]	[illegible]
204127	Tor Dm Bk	[illegible]	[illegible]	[illegible]	[illegible]
37100	Torstar B f	[illegible]	[illegible]	[illegible]	[illegible]
843	Trns Mt	[illegible]	[illegible]	[illegible]	[illegible]
343808	TrnAlta U	[illegible]	[illegible]	[illegible]	[illegible]
37076	TrCan PL	[illegible]	[illegible]	[illegible]	[illegible]
843	Trimac	[illegible]	[illegible]	[illegible]	[illegible]
30537	Trilon A	[illegible]	[illegible]	[illegible]	[illegible]
4100	Trizec A f	[illegible]	[illegible]	[illegible]	[illegible]
39900	Turbo	[illegible]	[illegible]	[illegible]	[illegible]
11500	Unicorp A f	[illegible]	[illegible]	[illegible]	[illegible]
6198	U Entprise	[illegible]	[illegible]	[illegible]	[illegible]
2570	U Keno	[illegible]	[illegible]	[illegible]	[illegible]
38	VGM Cap	375	365	375	—25
14838	Wrdair A f	[illegible]	[illegible]	[illegible]	[illegible]
810	Wrdair B	[illegible]	[illegible]	[illegible]	[illegible]
800	Westmin	[illegible]	[illegible]	[illegible]	[illegible]
61730	Weston	[illegible]	[illegible]	[illegible]	[illegible]
3025	Woodwd A	440	440	440	

Total sales 15,476,360 shares

	Close	Prev. Close
TSE 300 Index:	[illegible]	[illegible]

Montreal Jan. 12

Sales	Stock	High	Low	Close	Chg.
[illegible]	Banq Nat	[illegible]	[illegible]	[illegible]	[illegible]
13020	BombrdrA	[illegible]	[illegible]	[illegible]	[illegible]
24014	BombrdrB	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Cascades	[illegible]	[illegible]	[illegible]	[illegible]
3149	CanBath	[illegible]	[illegible]	[illegible]	[illegible]
14433	DomTxtA	[illegible]	[illegible]	[illegible]	[illegible]
4550	MntTrst	[illegible]	[illegible]	[illegible]	[illegible]
17208	NatBk Can	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Noverco	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Power Corp	[illegible]	[illegible]	[illegible]	[illegible]
11454	Provigo	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Royal Bank	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	SteinbrgA	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	Videotron	[illegible]	[illegible]	[illegible]	[illegible]

Total Sales [illegible] shares.

	Close	Previous
Industrials Index:	[illegible]	[illegible]

RUSSELL BAKER
IN THE IHT EVERY WEDNESDAY AND FRIDAY.
URBANE WIT AT ITS SATIRICAL BEST

BOOKS

BERTRAND RUSSELL: A Political Life

By Alan Ryan. 226 pages. $19.95. Hill & Wang, 19 Union Square West, New York, N. Y. 10003.

Reviewed by Walter Goodman

INSOFAR as the name of Bertrand Russell means anything to Americans today, it probably conjures up the gaunt, white-haired patriarchal leader of sit-ins against the nuclear bomb and speak-outs against the war in Vietnam.

In the closing decades of his long life, the British Nobel Prize-winner turned entirely away from his provocative and innovative work in philosophy, logic and education toward what he saw as life-and-death issues of the time.

In concentrating on the public figure, Allan Ryan makes a pertinent contribution to Russelliana. His analytic new book reminds us that Russell's "political life" began long before his emergence as a radical leader in his 80s and 90s.

He came by politics naturally, as a descendant of an aristocratic family of liberal inclination. In Russell's 1896 work, "German Social Democracy," Ryan notes, the grandson of Britain's first Liberal prime minister carved out a position of his own on the political left: "He had no time for inherited power, doubted the legitimacy of landed property and thought universal adult suffrage the only tolerable basis of political authority; but he was no socialist. He felt no sort of solidarity with working people; and he thought that under any regime differential rewards for differential contributions would be required."

Russell's first wholehearted plunge into politics came in World War I, which he viewed as "a lunatic enterprise" brought about by national envy. His unswerving opposition to the war in general and conscription in particular brought him a brief stay in jail.

Ryan, a former Oxford don now teaching politics at Princeton, observes that here as elsewhere, Russell's views did not fit into established categories. Although he denied that self-defense was a sufficient reason for fighting a war, Russell was no pacifist. Ryan calls him "a consequentialist." To put the case bluntly, the killing of large numbers of people was defensible if the good achieved was sufficient. But whatever his theoretical position, in practice Russell opposed war and favored a vague sort of world government.

In the 1920s, he stood as a Labor Party candidate for an unwinnable seat in Parliament but parted from much of the British left in his critical view of Russia's October Revolution. Ryan writes that while Russell opposed Allied intervention against the Bolsheviks, he discerned in the new Soviet regime "old-fashioned Asiatic brutality, tsarist inefficiency and an attitude to Marxism which blended superstition and hypocrisy." He saw little hope for freedom under any Marxist regime.

Russell's attitude toward the United States was more ambiguous. He was attracted by liberal democracy but put off by a capitalism that he saw as exploitive and potentially bloodthirsty.

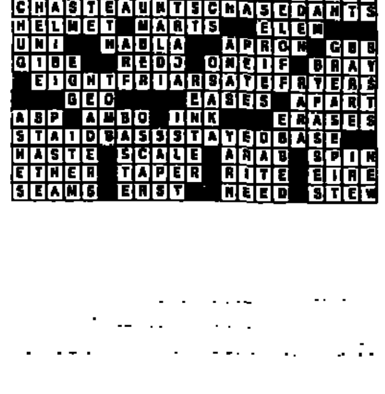
In Ryan's fair assessment, the 1930s were not Russell's brightest years as a political prophet. Guided by his belief that a second world war would mean the destruction of civilized life, he preached appeasement of the Nazis, a position he soon came to regret. He put his hopes for postwar peace in some sort of Platonic society — a planned economy that would combine American productivity and Russian authoritarianism.

After the Allied victory in World War II, when the United States had a monopoly on nuclear weapons, Russell, outspoken if not prudent, urged a war to end all war against the Soviet Union. Some years later he would conclude that it was the United States that was the true threat to peace, and he sought Soviet intervention in behalf of the Vietcong, Cuba and the Palestine Liberation Organization.

What the generally sympathetic biographer considers alarming about his final years is the high proportion of abuse to argument (Russell called British Prime Minister Harold Macmillan more wicked than Hitler, then regretted doing so) and the habit of asserting disputed facts without any suggestion that they were open to doubt. Grievous charges against a philosopher — but then Bertrand Russell had long since moved away from that line of work.

Walter Goodman is on the staff of The New York Times.

Solution to Last Week's Puzzle



WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	17	63	7	45	fr
Amsterdam	9	48	5	41	fr
Athens	12	54	7	45	fr
Barcelona	11	52	5	41	fr
Belgrade	3	38	-3	26	fo
Berlin	8	46	4	39	o
Brussels	9	48	3	38	fr
Budapest	1	34	-1	30	fo
Copenhagen	8	46	4	39	cl
Costa Del Sol	17	63	8	46	fr
Dublin	12	54	2	36	r
Edinburgh	6	43	1	34	r
Florence	11	52	3	38	o
Frankfurt	9	48	3	38	fr
Geneva	12	54	7	45	fr
Helsinki	2	36	1	34	sw
Las Palmas	19	66	15	59	cl
Lisbon	17	63	8	46	fr
London	11	52	2	36	fr
Luxembourg	7	45	3	38	cl
Madrid	12	54	0	32	fr
Milan	9	48	2	36	fo
Moscow	0	32	-8	18	h
Munich	9	48	1	34	r
Nice	14	57	6	43	cl
Oslo	8	46	3	38	cl
Paris	10	50	3	38	cl
Prague	5	41	0	32	sh
Reykjavik	2	36	-2	28	r
Rome	14	57	0	32	fr
Stockholm	4	39	3	38	r
Strasbourg	13	55	6	43	fr
Venice	8	46	2	36	fo
Vienna	10	50	0	32	r
Warsaw	6	43	0	32	cl
Zurich	9	48	3	38	cl

OCEANIA

	HIGH C	HIGH F	LOW C	LOW F	
Auckland	25	77	16	61	fr
Sydney	24	75	17	63	cl

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	34	93	25	77	fr
Beijing	0	32	-8	18	fr
Hong Kong	13	55	11	52	o
Manila	35	95	24	75	cl
New Delhi	18	64	4	39	fr
Seoul	1	34	-3	26	cl
Shanghai	3	38	0	32	o
Singapore	—	—	—	—	na
Taipei	18	64	14	57	r
Tokyo	9	48	7	45	o

AFRICA

	HIGH C	HIGH F	LOW C	LOW F	
Algiers	14	57	3	38	fr
Cape Town	26	79	16	61	fr
Casablanca	18	64	6	43	cl
Harare	27	81	15	59	cl
Lagos	—	—	—	—	na
Nairobi	26	79	12	54	cl
Tunis	17	63	6	43	fo

LATIN AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	—	—	—	—	na
Caracas	—	—	—	—	na
Lima	22	72	19	66	o
Mexico City	24	75	7	45	pc
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	-1	30	-8	18	cl
Atlanta	15	59	5	41	r
Boston	5	41	-6	21	pc
Chicago	0	32	-6	21	fr
Denver	5	41	-6	21	fr
Detroit	-1	30	-8	18	pc
Honolulu	27	81	21	70	sh
Houston	9	48	5	41	cl
Los Angeles	21	70	9	48	fr
Miami	28	82	21	70	pc
Minneapolis	-2	28	-9	16	pc
Montreal	-4	25	-15	5	cl
Nassau	29	84	18	64	pc
New York	3	38	-4	25	fr
San Francisco	13	55	3	38	pc
Seattle	7	45	3	38	r
Toronto	-2	28	-9	16	pc
Washington	7	45	-4	25	pc

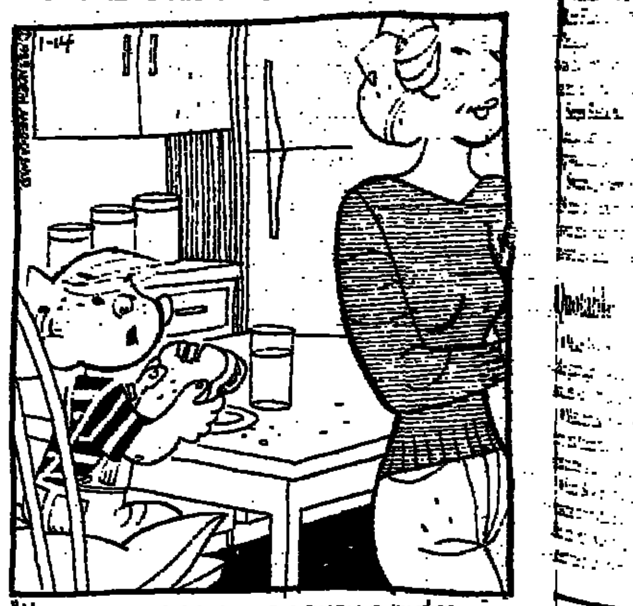
MIDDLE EAST

	HIGH C	HIGH F	LOW C	LOW F	
Ankara	1	34	-12	10	fr
Beirut	—	—	—	—	na
Cairo	15	59	8	46	cl
Damascus	—	—	—	—	na
Istanbul	9	48	1	34	cl
Jerusalem	11	52	3	38	cl
Tel Aviv	19	66	9	48	cl

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

SATURDAY'S FORECAST — CHANNEL: Wild. FRANKFURT: Rain. Temp. 7 — 2 (45 — 28). LONDON: Showers. Temp. 8 — 6 (46 — 43). MADRID: Cloudy. Temp. 10 — 0 (50 — 32). NEW YORK: Fair. Temp. 6 — 0 (43 — 32). PARIS: Rain. Temp. 8 — 4 (46 — 39). ROME: Fair. Temp. 15 — 2 (59 — 36). TEL AVIV: Not available. ZURICH: Partly cloudy. Temp. 9 — 1 (48 — 30). BANGKOK: Foggy. Temp. 34 — 24 (93 — 75). HONG KONG: Cloudy. Temp. 10 — 12 (50 — 54). MANILA: Cloudy. Temp. 34 — 24 (93 — 75). SEOUL: Fair. Temp. 1 — 1 (34 — 30). SINGAPORE: Stormy. Temp. 29 — 25 (84 — 77). TOKYO: Cloudy. Temp. 9 — 7 (48 — 45).

DENNIS THE MENACE



"MARGARET SAYS SHE KEEPS A DIARY, BUT I'VE NEVER SEEN ONE SINGLE COW!"

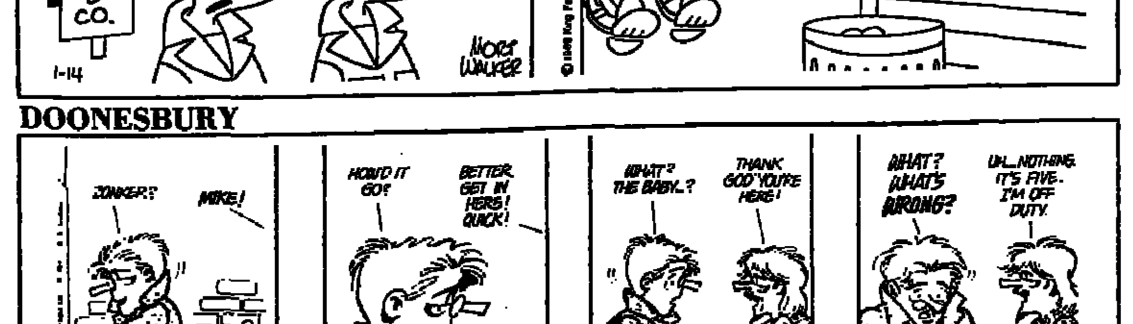
PEANUTS

ANDY CAPP

BLONDIE

WIZARD of ID

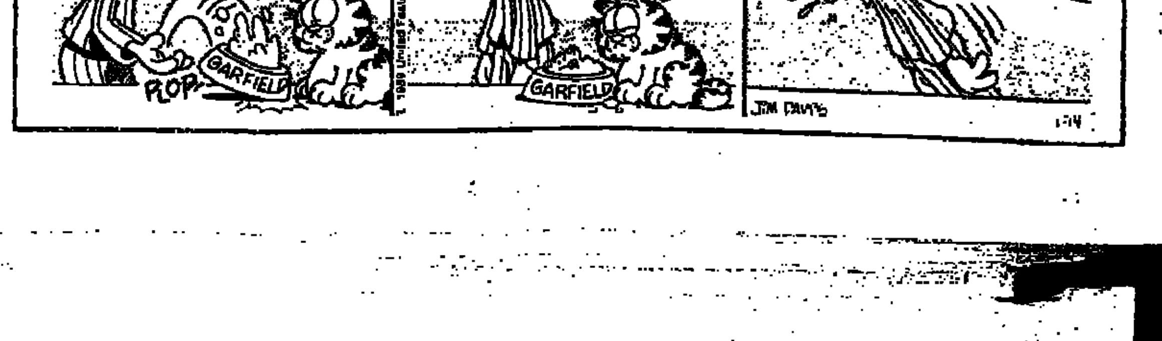
BEETLE BAILEY



REX MORGAN

DOONESBURY

GARFIELD



SPORTS

The Winner Is: You Guessed It

Agence France-Presse

DAKAR, Senegal — Ari Vatanen of Finland found the finish line Friday and, as preordained, drove across it to win the Paris-Dakar motor rally.

It was the 36-year-old former world rally champion's second victory in three years, and the third straight for Peugeot. But it hadn't been easy for Vatanen, although last Saturday he had won the Peugeot-ordered coin toss in Mali that all but decided who would win this year's race.

During Thursday's 125-mile (200 kilometer) stage, after having led since Monday, he got lost in the forests and finished seventh that day as teammate Jacky Ickx of Belgium sped into a 20-second overall lead. That led to an angry Vatanen contending that Ickx, the loser of the coin toss, was "breaking the rules."

Ickx, a six-time winner of the 24 Hours of Le Mans, replied that it was all a mistake.

"He lost his way and I didn't know I had overtaken him by so much," he said. "Ari is convinced that I tried to beat him but he is wrong. I had no intention of going against the orders of Jean Todt."

Todt, the team manager, smoothed over the row by saying "there is no question of changing the agreement. Vatanen will win the race tomorrow."

He did. Following strict instructions, Ickx stopped just before the finish line Friday to let Vananen fly by.

The Associated Press

Ari Vatanen, left, won the Paris-Dakar rally when teammate Jacky Ickx, right, paused.

Records Show Winfield Shorted Charity

According to Tax Returns, $300,000-Plus Has Not Been Paid Since 1982

The Associated Press

NEW YORK — Dave Winfield, who sued the New York Yankees' owner, George Steinbrenner, for failing to make payments to the outfielder's charitable foundation, has failed to make some of his own, Internal Revenue Service documents show.

Winfield's required contributions to the David M. Winfield foundation have fallen at least $300,000 short since 1982, according to IRS documents obtained Thursday by The Associated Press.

The documents show that Winfield contributed $175,000 to his foundation from 1982 through 1987. Under the 10-year contract he signed with the Yankees, he is required to contribute $100,000 a year to the foundation.

Winfield paid $115,000 in 1982, nothing in 1983, $35,000 in 1985, $25,000 in 1986 and nothing in 1987, according to foundation's tax returns. The 1984 return could not be obtained, but a source who asked not to be identified said it showed Winfield contributed $60,000. With that amount included, the shortfall totaled $365,000.

Winfield sued Steinbrenner last Friday, charging him with failing to make a required $300,000 yearly contribution, as agreed in a memorandum between Steinbrenner and the foundation signed Dec. 14, 1980. Steinbrenner countersued on Monday, charging Winfield with failing to make his required payments.

Winfield's contract, signed Feb. 2, 1982, and filed with the American League, specifies that "Player agrees in each calendar year of the contract he will make a contribution to the David M. Winfield Foundation for Underprivileged Children, Inc. of not less than $100,000 per year." A copy of the contract was obtained by the AP.

In papers filed Monday in U.S. District Court in Manhattan, Steinbrenner alleged that Winfield did not make any payment in 1988 and was $480,000 in arrears. No breakdown was contained in the suit.

Winfield's lawyer, Jeffrey Klein, said Wednesday that although his client had not made the required payments directly, he had made payments in other forms.

Klein could not be contacted Thursday.

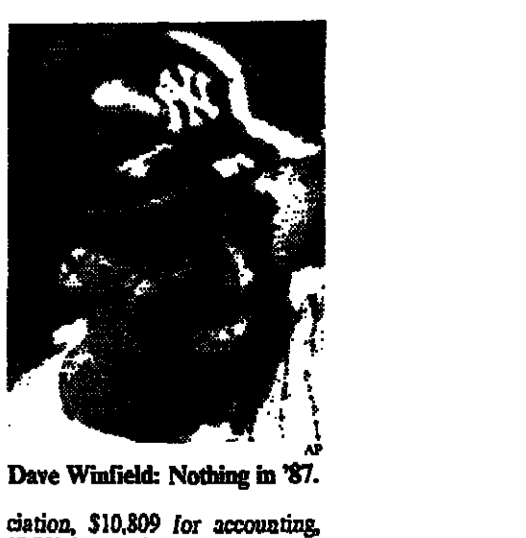
In the fiscal year ending March 1, 1987, documents show, $348,884 was contributed to the foundation, including $300,000 from the Yankees and $10,000 from the publisher McGraw-Hill.

Steinbrenner, in addition, charged that "the foundation has been used by Winfield as a public relations vehicle for his own aggrandizement, and as a means to channel funds, perquisites and services to his friends, associates and family members."

While the tax returns do not show any diversions, they do show that 86 percent of the foundation's expenditures went for operating and administrative expenses in the fiscal year ending March 1, 1987. That year, the foundation spent $425,764 on expenses and $70,200 on contributions and grants paid, according to IRS records.

The overhead was broken down to $135,204 for salaries, $53,803 for printing, $51,142 for conferences, $34,955 for rent, $30,371 for professional fees, $18,454 for postage and shipping, $15,982 for telephone bills, $15,959 for equipment rental, $15,633 for taxes, $14,750 for depreciation, $10,809 for accounting, $7,753 for pension plans and benefits, $6,781 for office supplies, $3,205 for legal fees, $2,427 for sporting events, $122 for interest and $8,414 for miscellaneous expenses.

The foundation gave $45,200 in scholarship grants to 35 college students. The rest of the $70,200 was taken in administrative expenses for awarding the grants.



AP

Dave Winfield: Nothing in '87.

SIDELINES

Figini Wins 2d Downhill in 2 Days

GRINDELWALD, Switzerland (AP) — Michela Figini of Switzerland won her second World Cup downhill ski race in 24 hours Friday, beating Carole Merle of France by more than a half-second. It was the 12th straight victory for the Swiss women this season; there have been 14 races.

It also was Figini's 13th downhill victory in five years on the World Cup circuit. She was the 1984 Olympic champion and won the overall cup title in 1988, when she dethroned teammate Maria Walliser.

Girardelli Wins First Cup Downhill

KITZBUEHEL, Austria (AP) — Marc Girardelli of Luxembourg conquered the tricky Hahnenkamm course Friday to win a men's World Cup downhill race. Although he has won two slaloms this season, and it was his 26th cup triumph overall, it was his first victory in a downhill.

Favorites Pirmin Zurbriggen of Switzerland and Helmut Höflehner of Austria finished far back, as the fresh snow slowed the course.

Pro Bowl Teams Get 4 New Players

NEW YORK (AP) — Safety Terry Kinard of the New York Giants and linebacker John Grimsley of the Houston Oilers were added to the Pro Bowl rosters Thursday as the one "need player" each team can select for the National Football League's all-star game Jan. 29.

The American Conference team also made two roster changes because of injuries. Linebacker Dino Hackett of the Kansas City Chiefs, who has a knee injury, and linebacker John Offerdahl of the Miami Dolphins, who has an ankle injury, were replaced by linebackers Matt Millen of the Los Angeles Raiders and Johnny Rembert of the New England Patriots.

For the Record

Michael Chang, 16, has been selected to join veterans Andre Agassi, Ken Flach and Robert Seguso on the U.S. Davis Cup team that will meet Paraguay on Feb. 3-5, the U.S. Tennis Association said Thursday. Chang was the 1988 rookie of the year in men's tennis, finishing 30th in the world in his first year on the pro circuit. *(AP)*

Sergei Baltacha, the first Soviet player to sign with an English soccer League club, arrived in London Friday and could make his debut for Ipswich against Stoke next weekend. *(UPI)*

Swimming's new World Cup has run into more problems: The Jan. 28-29 meet at Emmen, Holland, has been canceled after only 70 competitors from nine countries entered. The meet in Perth in Australia earlier this month also had to be canceled for lack of entries. *(AFP)*

Quotable

- Mike Tyson: "I'm just a normal guy. I'm not a tyrant, I just don't take garbage. I want to run my household just like you want to run your household. I'm going to live the way I want to live anyway." *(AP)*
- Matchmaker Al Braverman, explaining why the heavyweight champion left training camp: "Tyson went to Vancouver for the simple reason that there is a thing called the lovebird whistle." *(AP)*
- Sam Bowie, back practicing with the Portland Trail Blazers after missing more than a year with a broken leg: "You can jog all you want. But the only way that would get you ready is if you ran into a truck or a telephone pole once in a while. That's what basketball is like." *(AP)*

Daryl Thomas: From Big-Time Indiana to Small-Town England, and Happily

The Associated Press

HEMEL HEMPSTEAD, England — The cheers of 64,000 spectators that followed the winning shot of the 1987 National Collegiate Athletic Association's basketball championship tournament no longer ring in the ears of Daryl Thomas.

The taunts and curses of Indiana University's coach, Bob Knight, have faded in his memory. So, too, have the childhood scenes of death, drugs and violence in a Chicago housing project.

Less than 22 months after flicking a pass to Keith Smart for the jump shot that gave Indiana the NCAA title in the game against Syracuse in the cavernous Superdome in Houston, Thomas is performing to polite applause at the tiny Dacorum Sports Centre in this sleepy community a few railway stops north of London.

Thomas, the 6-foot, 7-inch (2-meter) center of the Hemel Hempstead and Watford Royals, was the most valuable player last year in a semipro English league, averaging 32 points and 10 rebounds a game. Despite missing most of this season and being weakened by illness, he is averaging more than 15 points a game and is an all-star.

"It's a really big change but it's one that is good for me," said Thomas. "I needed to go out and find my game again and do some of the things I couldn't do offensively at Indiana. "I love it over here. I like the culture. It's an experience."

Thomas, 23, earns more than $50,000 a season. Some of his teammates are not even paid a salary. But playing in the English league, where the level of skill often resembles that of an American high school game, also keeps alive Thomas's fading chances of playing in the National Basketball Association. He made it to the final cut this year with the expansion Miami Heat, one year after an unsuccessful attempt to join the Sacramento Kings.

"If the NBA's there, it's there," he said, thinking ahead to a tryout with the expansion Minnesota Timberwolves next fall. "It's a dream, but I'm not going to keep chasing it forever."

Thomas has had to adjust to Europe's more physical style of play, as well as to "textbook coaches" who have learned from books and film instead of on-court experience. The difference in the noise level at games was also shocking. Or quietly shocking. Instead of 17,259 screaming Hoosier fans at Assembly Hall in Bloomington, Indiana, Thomas now is cheered by a few hundred neighbors and friends.

"I miss the excitement a great deal. Those days are over. But I enjoy what I'm doing," he said. "I've had the excitement, I won the national championship. Now it's the laid back, European type of thing."

Life in the quiet, middle-class community of Hemel Hempstead is far more comfortable than was his childhood in the Robert Taylor Homes on the southside of Chicago.

"I remember growing up in the projects. I remember death in the projects, the violence and drugs, people sleeping in the halls, prostitution," he said. "They used to always steal my money, so I got smart as a young kid and learned not to carry any money. Losing a quarter is tough to a 6-year-old."

He said he is not bothered by questions about whether he has lived up to his potential. He went to the same high school as NBA star Isiah Thomas, who is no relation, and followed him to Indiana, where Knight constantly ridiculed Daryl Thomas as an underachiever.

"You can always wonder, maybe I could be somewhere else," he said. "But there are a lot of players who are a lot better than me and aren't doing anything now. I'm on a nine-month vacation in England playing the game I love."

Tyson Leaves Canada, And Then Disappears

Compiled by Our Staff From Dispatches

LAS VEGAS — Heavyweight champion Mike Tyson, having left Canada after a whirlwind 24 hours in Vancouver, didn't show up at the Las Vegas airport as scheduled Thursday night.

Tyson slipped out the back door Thursday of the Vancouver Hotel, where he had had a ruckus with two photographers and a visit with his estranged wife, actress Robin Givens, the day before. He flew to Los Angeles, and from there was booked on a USAir flight to Las Vegas.

Rory Holloway, a friend of the fighter, was at the Las Vegas airport to meet the flight. When Tyson didn't show, Holloway refused comment and left the airport alone.

Tyson was shown on the passenger list along with John Horne, who is Tyson's camp coordinator for the Feb. 25 title fight against British champion Frank Bruno.

In Vancouver, a television station and a newspaper were still pursuing Tyson, for damages.

Mike Timbrell of BCTV, whose right hand was scratched when Tyson tore the viewfinder off his $70,000 television camera and then wrestled him for possession of the camera, said he had called the police to inform them of the incident but did not press charges.

But Timbrell's father, Don, who is the assignments coordinator for BCTV, said the station was considering whether to file charges.

Nicholas Palmer, the graphics editor of The Sun, said Tyson had caused about $300 damage to a $1,200 Nikon F3 camera when he tore it from the hands of the newspaper's photographer, Mark Van Manen, "and ball-pitched it toward the hotel check-in desk."

"What we intend to do is to bill Mr. Tyson or his representatives for the cost of the damages to the camera," Palmer said.

A switchboard operator at the Hotel Vancouver, when asked for Givens's room, referred the calls to the New York number of Olga Rosario, a business associate of Ruth Roper, Givens's mother.

Rosario was not at the number when it was called. *(AP, NYT)*

Russell McPhedran/The Associated Press

Curtis Strange, who shot two-under-par 70 Friday for a two-stroke lead after two rounds of the Palm Meadows Cup in Australia, hit one drive nearly out of sight.

Valvano Book's Instigator Reportedly Sought Money

Cox News Service

ATLANTA — Dave Kindred, a columnist for the Atlanta Constitution, reported Thursday that in November 1987 he was asked to write a book on alleged athletic and academic corruption at North Carolina State but declined, in part, because more than $25,000 was sought for what was described as payments demanded by sources for the book.

The request, Kindred said, came from John Simonds, a former student manager for the team. Simonds said he had been relieved of his job following the transfer of Walker Lambiotte, a player who was his friend, and that Lambiotte's story was critical to the book because it showed how the coach, Jim Valvano, broke promises.

Another key element of the story, Simonds said, would come from State's former academic counselor, Lienne Federico. Kindred said he met her in Raleigh, North Carolina, but that she never told him anything resembling the allegations of grade-fixing and drug use printed on the dust jacket of a book to be released Jan. 23. It promises an exposé of Valvano's empire.

Federico seemed upset over losing her job with the team, Kindred said, but didn't blame Valvano. She praised Valvano and blamed her faculty superior, Hugh Fuller, who, she said, was out to get Valvano and her because he believed certain players, star Chris Washburn among them, had no business in school.

Then, Kindred said, Simonds told him the players would cooperate with the book only if they were paid. He never mentioned a dollar figure, Kindred said, but did say that Federico wanted about $25,000 and a guarantee of a job if she were fired, and that he, Simonds, needed a couple thousand dollars for a car.

When those demands were refused, Simonds said, " 'But nobody will say anything unless they get paid first.' "

(It also has been learned that the book idea had been turned down earlier, for the same reasons, by John Feinstein, author of "On the Brink," the best-selling book about Indiana's coach, Bob Knight.)

Until a month ago, Kindred said, that was the last he heard of the State story. Then New York free-lance writer Peter Golenbock called and said he had done the book, but that he was looking for more information. He asked about Kindred's meeting with Federico, apparently because, as she insists, Golenbock never spoke to her about the project.

SCOREBOARD

SKIING

World Cup

MEN'S DOWNHILL
(At Kitzbuehel, Austria)

1. Marc Girardelli, Luxembourg, 2 minutes, 1.25 seconds
2. Michael Mair, Italy, 2:01.95
3. Roman Rupp, Austria, 2:02.74
4. Karl Alpiger, Switzerland, 2:02.87
5. Peter Mueller, Switzerland, 2:02.85
6. Peter Wirnsberger, Austria, 2:03.08
7. Daniel Mahrer, Switzerland, 2:03.21
8. Erwin Resch, Austria, 2:03.26
9. Armin Assinger, Austria, 2:03.46
10. William Besse, Switzerland, 2:03.60

OVERALL STANDINGS

1. Pirmin Zurbriggen, Switzerland, 148 points
2. Girardelli, 137
3. Alberto Tomba, Italy, 78
4. Helmut Hoeflehner, Austria, 77
5. Armin Bittner, West Germany and Leonhard Stock, Austria, 69
7. Hubert Strolz, Austria, 68
8. Markus Wasmeier, West Germany, 60
9. Mueller, 59
10. Mair, 52

WOMEN'S DOWNHILL
(At Grindelwald, Switzerland)

1. Michela Figini, Switzerland, 1:55.32
2. Carole Merle, France, 1:55.89
3. Maria Walliser, Switzerland, 1:56.46
4. Beatrice Gafner, Switzerland, 1:56.74
5. Regina Moesenlechner, W.Germany, 1:56.93
6. Elisabeth Kirchler, Austria, 1:56.99
7. Michaela Gerg, W.Germany, 1:57.00
8. Sigrid Wolf, Austria, 1:57.55
9. Veronika Wallinger, Austria, 1:57.61
10. Heidi Zurbriggen, Switzerland, 1:57.88

OVERALL STANDINGS

1. Vreni Schneider, Switzerland, 232
2. Ulrike Maier, Austria, 118
3. Figini, 109
4. Merle, 107
5. Walliser, 92
6. Mateja Svet, Yugoslavia, 84
7. Anita Wachter, Austria, 70
8. Moesenlechner, 62
9. Gerg, 58
10. Tamara McKinney, United States, 52

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
New York	23	11	.676	—
Philadelphia	18	15	.545	4½
Boston	16	17	.485	6½
New Jersey	13	21	.382	10
Washington	11	21	.344	11
Charlotte	9	25	.265	14
Central Division				
Cleveland	25	6	.806	—
Detroit	21	10	.677	4
Atlanta	21	12	.636	5
Milwaukee	19	11	.633	5½
Chicago	18	14	.563	7½
Indiana	9	23	.281	16½

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
Houston	21	12	.636	—
Utah	21	14	.600	1
Denver	19	14	.576	2
Dallas	17	15	.531	3½
San Antonio	10	23	.303	11
Miami	3	30	.091	18
Pacific Division				
L.A. Lakers	22	12	.647	—
Phoenix	20	13	.606	1½
Seattle	19	13	.594	2
Portland	19	14	.576	2½
Golden State	14	16	.467	6
Sacramento	9	21	.300	11
L.A. Clippers	10	24	.294	12

THURSDAY'S RESULTS

Miami	22 25 26 27—100
Washington	25 22 29 30—106

King 13-19 6-8 32, Malone 11-19 10-11 32; Seikaly 11-18 1-3 23, Cummings 8-11 3-5 19. Rebounds: Miami 41 (Seikaly 11), Washington 53 (C.A.Jones 9). Assists: Miami 29 (Sparrow 12), Washington 27 (Walker 7).

Charlotte	31 17 13 28— 89
New York	29 19 32 26—106

Jackson 6-13 5-6 18, Strickland 6-9 2-2 14; Chapman 7-17 4-5 19, Tripucka 5-13 6-6 16. Rebounds: Charlotte 53 (Cureton 14), New York 70 (Ewing 13). Assists: Charlotte 22 (Bogues 6), New York 24 (Strickland 6).

Boston	26 27 28 25—106
New Jersey	29 24 25 25—103

Lewis 11-18 4-6 26, Parish 10-15 5-6 25; McGee 7-11 2-3 17, B.Williams 7-10 1-2 15. Rebounds: Boston 49 (Parish 12), New Jersey 39 (Carroll 10). Assists: Boston 23 (Johnson 10), New Jersey 21 (Conner 7).

Portland	29 22 25 30—106
Houston	25 20 38 33—116

Olajuwon 13-26 6-11 32, Woodson 7-15 7-8 22; Kersey 10-16 3-3 23, Duckworth 8-17 7-12 23. Rebounds: Portland 56 (Duckworth 12), Houston 62 (Olajuwon 16). Assists: Portland 20 (Porter 7), Houston 21 (Floyd 9).

San Antonio	15 22 32 21— 91
Utah	24 27 24 38—115

Malone 14-17 2-2 31, Stockton 9-13 8-8 26; Brickowski 6-10 4-5 16, G.Anderson 4-10 4-9 12, King 6-14 0-1 12. Rebounds: San Antonio 54 (G.Anderson 10), Utah 65 (Eaton 17). Assists: San Antonio 29 (Maxwell, Robertson, Cook 5), Utah 31 (Stockton 16).

Dallas	18 29 19 29— 95
Seattle	22 38 31 39—130

Ellis 15-21 2-2 36, McKey 6-11 7-7 19; Schrempf 8-18 8-10 24, Aguirre 10-18 1-2 21. Rebounds: Dallas 43 (Donaldson 8), Seattle 52 (Lister 17). Assists: Dallas 18 (Harper 5), Seattle 36 (McMillon 9).

Selected U.S. College Scores

EAST

Canisius 99, New Hampshire 72
Duquesne 89, Rhode Island 74
Fairleigh Dickinson 89, Long Island U. 74
Holy Cross 72, Fairfield 70
La Salle 86, Fordham 73
Loyola, Md. 86, St. Francis, NY 83
Monmouth, N.J. 92, St. Francis, Pa. 87
Penn St. 79, George Washington 53
Providence 105, Cent. Connecticut St. 56
Robert Morris 88, Wagner 82, OT
Siena 101, Niagara 76
Temple 89, Massachusetts 68
U.S. International 94, Manhattan 73
Yale 111, Swarthmore 74

SOUTH

Citadel 65, Coll. of Charleston 58
Hardin-Simmons 46, Mercer 43
Kentucky 69, Florida 56
Miami, Fla. 87, Kansas 86
North Carolina St. 97, Coastal Carolina 69
Old Dominion 98, N.C. Charlotte 79

MIDWEST

Dayton 74, Detroit 73
Illinois 103, Wisconsin 80
Loyola, Ill. 92, Xavier, Ohio 83
Michigan 98, Minnesota 83
Nebraska 71, N. Illinois 56
St. Louis 99, Butler 72
Wichita St. 71, Drake 57

SOUTHWEST

Lamar 68, Oral Roberts 67

FAR WEST

Arizona 85, Oregon St. 64
Arizona St. 72, Oregon 70
Boise St. 70, Montana St. 62
Brigham Young 85, San Diego St. 81
California 63, Washington St. 62
Colorado St. 64, New Mexico 62
Idaho 91, N. Arizona 51
Loyola Marymount 87, Santa Clara 80
Nevada-Reno 115, E. Washington 106, 2OT
Pepperdine 71, San Francisco 53
Stanford 71, Washington 69
UCLA 67, Southern Cal 66
Utah 71, Hawaii 61
Weber St. 85, Idaho St. 77
Wyoming 81, Texas-El Paso 75

HOCKEY

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Pittsburgh	25	14	3	53	198	173
Washington	23	15	7	53	162	145
Philadelphia	24	20	2	50	181	155
NY Rangers	22	15	6	50	170	153
New Jersey	16	20	7	39	150	175
NY Islanders	11	28	2	24	123	173
Adams Division						
Montreal	30	11	6	66	179	134
Boston	17	18	9	43	143	137
Buffalo	18	21	4	40	155	169
Hartford	17	21	3	37	145	143
Quebec	13	27	5	31	153	207

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Detroit	20	16	7	47	164	161
St. Louis	15	20	7	37	146	157
Toronto	15	26	3	33	135	185
Minnesota	13	22	7	33	136	161
Chicago	11	26	6	28	160	197
Smythe Division						
Calgary	28	9	6	62	185	125
Los Angeles	26	15	3	55	229	181
Edmonton	23	16	4	50	192	162
Winnipeg	15	16	9	39	162	171
Vancouver	16	22	6	38	140	144

THURSDAY'S RESULTS

Quebec	0 1 1—2
Philadelphia	3 3 1—7

Sutter 2 (14), Eklund (10), Craven (7), Bullard 2 (16), Kerr (29); J.Brown (10), Granstrand (1). Shots on goal: Quebec (on Hextall) 8-12-4—24; Philadelphia (on Gosselin, Tugnutt) 12-12-6—30.

Chicago	1 2 2—5
Buffalo	1 1 4—6

Anderson (1), Turgeon (19), Vaive (18), Foligno (11), Parker (4), Sheppard (12); Larmer 2 (21), Graham (15), Wilson (9), Savard (18). Shots on goal: Chicago (on Cloutier, Puppa) 11-6-12—29; Buffalo (on Belfour, Clifford) 11-9-17—37.

Montreal	2 3 0—5
Boston	0 3 0—3

Walter (10), Carbonneau (14), Courtnall (8), Richer (11), McPhee (14); Carter (6), Cote (2), Joyce (13). Shots on goal: Montreal (on Moog) 7-18-9—34; Boston (on Hayward) 8-16-2—26.

Pittsburgh	1 4 4—9
Minnesota	2 0 0—2

Quinn (20), Lemieux (47), Hannan (5), Cullen (7), Blugstad 2 (2), Brown (29), Coffey (10), Cunneyworth (21); Archibald 2 (7). Shots on goal: Pittsburgh (on Casey, Mylljs) 13-7-14—34; Minnesota (on Barrasso) 10-9-6—25.

St. Louis	1 2 1—4
Los Angeles	0 4 3—7

Nicholls 3 (43), Robitaille (29), Liba (5), Krushelnyski 2 (13); McKegney 2 (17), Tuttle (9), Meagher (12). Shots on goal: St. Louis (on Healy) 14-9-10—33; Los Angeles (on Millen) 6-19-10—35.

SOCCER

WORLD CUP QUALIFYING

Iraq 1, Jordan 0
Oman 0, Qatar 0
Kuwait 3, UAE 2

TRANSITION

BASEBALL

American League

BALTIMORE—Agreed to terms with Joe Orsulak, outfielder, and Rick Schu, infielder, on one-year contracts.

BOSTON—Agreed to terms with Mike Smithson, pitcher, on one-year contract.

CALIFORNIA—Signed Bob McClure, pitcher, to one-year contract. Named Cookie Rojas advance scout.

CHICAGO—Agreed to terms with Mark Salas, catcher, on one-year contract.

DETROIT—Named George Kell and Bo Schembechler to board of directors.

National League

CINCINNATI—Acquired Luis Vasquez, pitcher, from Boston to complete Dec. 13 trade that sent Todd Benzinger and Jeff Sellers to Cincinnati for Nick Esasky and Rob Murphy. Sold Ken Griffey, first baseman-outfielder, will report to spring training as non-roster player.

PITTSBURGH—Agreed to terms with Brian Fisher, pitcher, on one-year contract. Bought contract of Tom Prince, catcher, from Buffalo, American Association, and signed him to one-year contract.

ST. LOUIS—Hub Kittle, roving minor league pitching instructor and scout, retired.

BASKETBALL

National Basketball Association

MIAMI—Put Dwayne Washington, guard, on injured list. Signed Kelvin Upshaw, guard, to 10-day contract.

PORTLAND—Put Craig Neal, guard, on waivers.

DETROIT—Signed Pace Mannion, guard, to 10-day contract. Put Joe Dumars, guard, on injured list.

GOLDEN STATE—Signed John Stroeder, center, to second 10-day contract.

NEW JERSEY—Activated Keith Lee, forward.

UTAH—Signed Jim Farmer, guard, for rest of 1988-89 season.

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(Continued from Back Page)

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POSTCARD

Lighter Side of Burma

By Steven Erlanger
New York Times Service

MANDALAY, Burma — Even under martial law, love will find a way.

The dance of young hormones can be somewhat hobbled when armed soldiers patrol streets, when gatherings of five or more people are banned, schools and cinemas are closed and there is a curfew from 10 P.M. to 4 A.M.

But especially in the winter dry season, young Burmese have suddenly discovered a fitness craze. They arise at 4 A.M. The girls put on makeup; the boys select their most modish sporting clothes and track suits. By 4:30 they jog or ride a bicycle, to acknowledged meeting places; by 6:30 or 7 A.M., they're home for breakfast.

There are a few parties in private houses, young people say, but quiet ones, and parents can be prevailed upon to allow their children to stay, if chaperoned, at a friend's.

That is technically illegal, since Burmese are still required to report overnight visitors to the authorities.

Despite Burma's long isolation from much of the world under the eccentric rule of Rangoon's recluse, U Ne Win, Western goods are popular with the young.

The latest fashion is a buttonless blue-jean jacket, worn open by both sexes over the traditional *longyi*, or sarong. On the black market, the jackets cost 800 kyats, or roughly $130 at the official rate of exchange. While only $20 at street rates, it is an extraordinary sum in a country where the average wage is 8.5 kyats a day.

THE authorities seem concerned about the state of mind of youth. Students led the demonstrations for democracy crushed in September and several thousand of them have fled to the Thai border to join ethnic insurgencies and receive military training. But they have little in common with the insurgents; many have come down with malaria and some have returned.

So in honor of Burma's 41st Independence Day, celebrated quietly on Jan. 4, the authorities published a special edition of a children's magazine and comic book called Shwe Thway.

In an episode called "Taste of Freedom," two young boys, Saw Win and Min Htike, become infuriated with their parents and teachers and run away from home, to do what they like. That was fine for a time, what with all the ice cream and the movies, "but then they ran out of money and their clothes began to smell."

They straggle home, where their parents hug them and cry. But then the patriarch of the family, U Si, the grandfather, says: "I'll tell you about the freedom I know. We the Burmese people were like slaves under the imperialists when we were young."

"Leaving home was very dangerous," he tells the boys. "It was without discipline. Doing what you like without restraint is not a taste of freedom. You understand me now?"

The boys, suitably chastened, say: "Yes, we do, grandfather."

THE quality of the propaganda in the only newspaper, the official Working People's Daily, published in English and Burmese, is not much better. Pages are full of reunions of parents with students who have come back from Thailand.

In an article entitled "Back to the bosoms of their parents," Tho Han reports on one such reunion:

" 'Son, son. You have really come back. Are you all right? I thought I would never see you again,' a mother said to her son. 'I'll never go away again, Mother. I'll stay with you forever.' "

Every second page carries a boxed admonition urging respect for the armed forces, the Tatmadaw. At the top of every front page runs this homily: "Only when the rule of law and order and peace and tranquillity prevail, would the lives, homes, property of the people be safe and secure; only then would they be able to earn their livelihood in peace and freedom. The Tatmadaw is carrying out this duty and all nationalities of the Union are urged to give all cooperation and assistance in this great task."

But it can be a hard slog. For some reason the National Unity Party, as the Burma Socialist Program Party, which was for 26 years the only legal political grouping, is now known, has failed to take off. Recently the party opened a freshly painted office in Mandalay. The next morning it was coated with cow dung.

Getting 'U.S.S.R.' Back to U.S.A.

By Allan Kozinn
New York Times Service

NEW YORK — Not long ago, music fans in the Soviet Union had to search the black market for European and American pop recordings and pay exorbitant prices for them. But now, for once, the tables have been turned.

Paul McCartney has released an album exclusively in the Soviet Union called "Back in the U.S.S.R." as his tribute to Mikhail S. Gorbachev's moves toward openness.

The record, believed to be the first Soviet-only release by a Western rock star, has been slipping into the West and has been commanding $100 to $250 a copy in the United States and is reportedly selling for as much as £500 (about $885) in London.

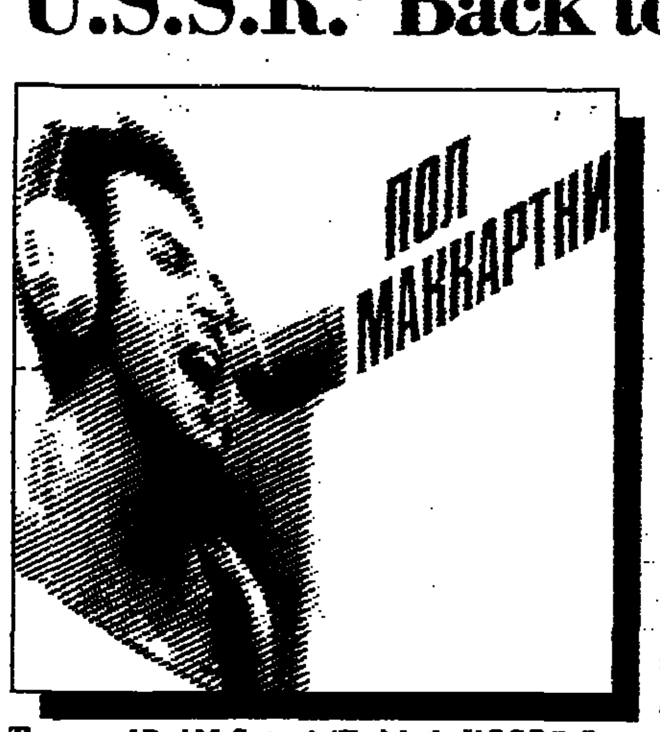
Just as Soviet record shops have long carried pirated pressings of Western recordings — including some by the Beatles, whose discs were not licensed for release there until 1986 — copies of McCartney's LP are expected to arrive in U.S. shops specializing in rare rock records within two weeks.

The bootleg versions will sell for about $10. One Manhattan dealer said he expected a pirate version of the Soviet recording on a compact disc filled out with other McCartney tracks that have been issued in Europe but not in the United States.

Richard Ogden, McCartney's manager, said in a telephone conversation from London that he was astonished to hear the prices the discs were fetching. He did not sound amused.

"We're trying to decide how to deal with this," he said. "We still have absolutely no plans to release the record in the West, but we're not happy about Paul's fans having to pay $200 for the disc if they want a copy. Today we are mailing members of our fan club letters telling them not to pay those prices because if we can find a way of sorting it out with the Russians, we'll make the record available to them ourselves."

The record, which was released in November by the Soviet Union's state-run Melodiya label, contains McCartney's performances of some early rock classics as well as a few hard-driving arrangements of pop standards, many drawn from the repertory he sang in the Beatles' formative years.



The cover of Paul McCartney's "Back in the U.S.S.R." album.

The first pressing of the record had 11 tunes running the gamut from Elvis to Ellington — "That's Alright (Mama)," "Kansas City," "Twenty-Flight Rock," "Lawdy Miss Clawdy," "Bring It on Home," "Lucille," "Ain't That a Shame," "Crackin' Up," "Just Because," "Midnight Special" and "Don't Get Around Much Anymore."

But when the initial run of 50,000 copies sold out almost immediately at 4 rubles each (about $6.60 at the official rate), Melodiya pressed another batch with an extra song, George Gershwin's "Summertime."

Melodiya's licensing agreement with EMI, the British company for which McCartney usually records, gives the Soviet concern the right to press 400,000 copies of the LP and prohibits Melodiya from exporting it.

McCartney recorded the songs in London with a small band of British musicians in two days in July 1987. The sessions were essentially an oldies jam in which McCartney and his sidemen cut 20 tunes live in the studio with no overdubbing or post-production work.

"From our point of view," Ogden said, "this record was not meant to be a commercial venture. We're earning virtually nothing from it, and we are donating part of what we earn to the Armenian earthquake appeal. But the record is something Paul made for fun, and releasing it only to the Russians was a gesture from him to them."

McCartney offered his reasons for releasing the disc in the Soviet Union in a liner note, printed in Russian on the LP jacket:

"When I was very young, I asked my father if people want peace. He answered, 'Yes, people everywhere want peace; all the unpleasantness is usually from politicians.'

"It always seemed to me that the delight Soviet people took in Beatles music was an affirmation of my father's words, and that people all over the world are brought closer together by many common interests. With the issue of this record — prepared specially and exclusively for the Soviet Union — I am extending the hand of peace and friendship to the Soviet people."

That Soviet fondness for Beatles music was among younger listeners who, according to articles published in the 1960s, traded tapes of Beatles songs recorded from Western short-wave radio broadcasts.

The Soviet government, however, was less admiring. In December 1968 (around the time the group released its "White Album"), an article in Sovetskaya Kultura, the official newspaper of the Ministry of Culture, declared the Beatles to be a symptom of the West's decline.

Within a few weeks of the release of the Melodiya disc, copies began turning up, 10 to 40 at a time, in the American shops that specialize in that sort of thing.

One Houston dealer offered the discs for $100 to regular customers who had entered a raffle. A dealer in Maryland advertised the disc at $250 in a Beatles fan magazine.

"If an American goes to Moscow and buys a record in the shop, there's nothing we can do about that," Ogden said. "And if some of the Russian people are developing entrepreneurial instincts, well, that is what Mr. Gorbachev says he is trying to encourage."

Those seem, in fact, to be the two routes copies of "Back in the U.S.S.R." take to the United States. One American who recently returned from the Soviet Union said there was not a copy to be found in the Moscow record shops he visited. But in a back street near his hotel, he was able to buy as many copies as he could carry for slightly more than the 4-ruble official price.

The other route is more circuitous. "We have a customer who is a Soviet émigré," said one New York dealer. "His friends in the Soviet Union are charging him $20 each for as many discs as he wants. He is selling them to us for $60, and we're selling them for $100.

"Why are we charging $100? Well, we wanted to price them at a level where they wouldn't fly out of here in a day but also where they wouldn't be sitting around forever," the dealer said.

"Yes, some customers have complained. But I just tell them that in a year, these will probably be listed in the Beatles collectors' guides at $500 a copy, and they buy them immediately."

PEOPLE

A Jackson Nomination

A new Jackson ranks among the artists nominated for a Grammy — and he's unrelated to Janet and Michael. The Reverend Jesse Jackson, a Democratic candidate for U.S. president in 1988, has been nominated for a speech recorded on a gospel album by Aretha Franklin. Aretha was nominated for best female soul gospel singer for her work on the album. . . . Five songs, including Billie Holliday's "Lover Man," Woody Guthrie's "This Land Is Your Land" and the Charlie Parker Sextet's "Ornithology," were named to the music academy's hall of fame, established to honor recordings made before 1958. The other two songs are classical works. "Bartok: Contrasts For Violin, Clarinet and Piano," with Béla Bártok on piano, Josef Szigeti on violin and Benny Goodman on clarinet. The second is "Beethoven: Concertos for Piano Nos. 1, 2, 3, 4, 5," with Artur Schnabel and Malcolm Sargent conducting the London Symphony for the first and fifth concertos and the London Philharmonic for the Nos. 2 through 4.

□

Prince Charles, who likes the art and architecture of the past, seized an opportunity to say he appreciates modern art when he opened the Burlington House's exhibition, "Italian Art in the 20th Century," that included bags of coal, bread rolls and a gilded relief map of Italy hanging upside down. "I actually believe the important thing is how you learn and build on the past which, after all, is a most essential aspect of the present and indeed the future," he said. . . . Under growing criticism that no member of the British royal family attended the memorial service for the victims of the Lockerbie-Pan American Flight 103 crash, Buckingham Palace announced that Charles will be visiting the town on Jan. 24.

□

Tass, the Soviet news agency, called the Washington office of the Ron Smith Celebrity Look Alike Company, based in Hollywood, California, to protest the firm's plan to send Raisa and Mikhail Gorbachev impersonators to the Jan. 18 mock inauguration. Brian Cowen, a spokesman for the company, said: "We assured them that Gorbachev will be portrayed with dignity and and that they should lighten up and come to the ball." The mock inauguration ball will also feature impersonators imitating President-elect George Bush, Vice President-elect Dan Quayle and their wives.

□

About 30 Canadians who manned Arctic Circle naval convoys that supplied Soviet allies during World War II have received awards from the Soviet Union. Ilya Liakin-Frolov of the Soviet Embassy in Ottawa pinned the commemorative medal on the veterans. "It was very hard — the cold, the darkness, and especially the Germans," said Maurice Vaudry, who served aboard a destroyer. "But we were young."

□

Maxwell's Plum, the New York '60s singles bar that catered to the young and upwardly mobile, auctioned its art deco, art nouveau, funhouse decor. Donald Trump, the real estate magnate, bought a Tiffany *favrile* leaded glass window for $26,800. An unidentified art dealer paid the highest price, $88,500 for a 12-foot-long, leaded glass window depicting a cornucopia by the artist John La Farge. The café closed in July after 22 years in business.

□

The actor Yves Montand has received an overwhelming thumbs down from his French compatriots for becoming a father for the first time at age 67. Montand, whose 28-year-old companion Carole Amiel gave birth to a baby boy, Valentin, on New Year's Eve, was "irresponsible," according to 61 percent of those questioned for a poll in Le Figaro magazine.

□

Roger Moore, who portrayed secret agent 007 in the James Bond films, has the starring role in the new Andrew Lloyd Webber musical, "Aspects of Love." The show, Lloyd Webber's first since "The Phantom of the Opera," is based on a 1955 novel by David Garnett and will be directed by Trevor Nunn.

□

Michael Jackson will receive a special American Music Awards tribute this month to acknowledge the international impact of his "Bad" album. Jackson will be honored because the album is the first ever to contain five No. 1 singles, and is 1988's best-selling album in the world, with international sales having reached 20 million.

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